

1 MS. LYNCH: Good afternoon, Commissioners. I'm
2 here to discuss the needs analysis, energy pricing and
3 supply diversity in a minute and a half. I'm not here
4 being paid by anyone.

5 CHAIRPERSON GARAMENDI: Oh, take 2.

6 (Laughter.)

7 MS. LYNCH: Thank you.

8 I'm here volunteering my time, because the PUC
9 rushed to judgment in 2004 without the facts. I know I
10 was on the PUC. The PUC simply had no tested evidence
11 that California needed then or needs now to shift its
12 current stable sources of supply from North America to a
13 volatility priced unreliable and highly polluting foreign
14 fossil fuel, liquefied natural gas. The key distinction
15 the liquefaction of it.

16 In 2004, the PUC refused to hold a public under
17 oath evidentiary process as it had done in the past and
18 was and is now the usual procedure. The PUC's flawed and
19 unusual need determination forms the basis for need here
20 relied upon in this EIR.

21 The utilities own California demand estimates
22 from 2006 show reduced California natural gas demand for
23 the next ten years. I'm not usually in the position of
24 defending the utilities data, but I can tell you that
25 their data is in deed different from the research analysis

1 of the CEC. Their demand data at the PUC is submitted
2 under oath, fully vetted and, in fact, in a public
3 evidentiary proceeding. It is, in fact, the best
4 available data, because it both determines -- because the
5 utilities must determine how to keep the lights on at a
6 just and reasonable cost.

7 The utilities cannot afford, like a research
8 entity like the CEC can, to over estimate and then
9 overbuy, because that drives up the price of electricity
10 in California and harms the California economy. The
11 Energy Commission's analysis overstates both California
12 and national natural gas demand. It does not adequately
13 account for the over \$3 billion California has already
14 spent in energy efficiency, nor the \$500 million we spend
15 currently that the PUC has already committed for the next
16 several years. Nor does the Energy Commission's analysis
17 adequately account for other states recent laws mandating
18 increased use of both energy efficiency funds and
19 renewable sources.

20 Thus, the CEC's analysis focuses on importing
21 natural gas, but there's a key and critical distinction
22 whether you import from other states and Canada or whether
23 you have to liquefy it and then gasify it and import it
24 from other third world and foreign sources.

25 I see my time is up. I'd be open to answering

1 any questions you have about the energy market or this
2 issue of the fact that we are at the end of the supply
3 pipeline or anything else. But I can assure you that do
4 not rely on people's pricing models of the market. This
5 market is created by regulation, just as with renewables
6 where the California Legislature had to open a market for
7 renewables. So, too, is the PUC opening a market for LNG.
8 That's why these companies are here, because they know
9 that against all pricing normality, the PUC will open a
10 market and we will be the ones to pay.

11 CHAIRPERSON GARAMENDI: I do have a question that
12 relates to some issues I raised earlier. And that's the
13 2006 public utility companies' report. You went through
14 it very quickly, and that's because of the time limit.
15 But you said it was a report to the PUC under oath and in
16 a public --

17 MS. LYNCH: An evidentiary process. It's a very
18 formalized almost quasi-judicial process. It's an
19 administrative judicial proceeding, where the PUC does
20 rate making, meaning the PUC opens businesses and families
21 checkbooks in California --

22 CHAIRPERSON GARAMENDI: Excuse me. That I don't
23 need to know.

24 (Laughter.)

25 CHAIRPERSON GARAMENDI: But I what I do need to

1 know is that this was a document that was prepared for a
2 public agency, delivered under oath to that agency, and is
3 a public record.

4 MS. LYNCH: Most specifically under oath. If
5 that data is incorrect, the utilities can be fined.
6 Unlike any of the data in the PUC's prior proceeding,
7 these workshops are not under oath and people can say
8 anything they want without accountability. The same with
9 the Energy Commission, people can say or assert anything
10 they want. The utilities, in that particular proceeding,
11 cannot. They'll be fined if they're inaccurate.

12 CHAIRPERSON GARAMENDI: I think Cheryl knows
13 something about the jump up and down on this issue, but I
14 think you've said enough about the validity or the point I
15 was making earlier about the public utility company's
16 report.

17 Thank you.

18 MS. LYNCH: Thank you.

19 CHAIRPERSON GARAMENDI: Anne has a question.

20 ACTING COMMISSIONER SHEEHAN: Now, where are
21 you -- you brought up a couple things that the PUC had
22 done. One was you talked about some rush to judgment.
23 Obviously, I hope that wasn't the -- where they got the
24 information that you were referring to. Can you tell me
25 what the process was? Was it a specific rate-making case

1 or company or was it the workshop for, you know, future
2 energy needs of the state? I want to make sure that --
3 because, one, I understand if a company is coming in for a
4 filing for that, you know, they have to make sure that all
5 the information is correct, and they have to swear to it
6 and, you know, verify it and all.

7 So I want to make sure in terms of that
8 information that you were talking about, I understand
9 we're talking apples to apples here.

10 MS. LYNCH: Sure. For the last 96 years, the
11 PUC, in its procurement rule makings, have held
12 quasi-judicial administrative hearings, public evidentiary
13 processes where the utilities and all other comers have to
14 submit their testimony under oath or have the equivalent
15 effect of it being under oath and have it up for
16 cross-examination. It's like a mini-administrative trial.

17 Until 2004 that always happened at the PUC when
18 we looked at natural gas demand. In 2004, the PUC changed
19 all its rules, and instead said we're not going to have a
20 public evidentiary process. We're going to have an
21 informal workshop process that is not under oath, where
22 evidence is not tested, and we're just going to make a
23 decision based on what people happen to tell us. That was
24 unusual and flawed.

25 In the scenario where the utilities have

1 submitted their demand data, that's in what's called the
2 general procurement or resource procurement rule-making.
3 Those rule-makings are still under the old, and generally
4 accepted, in all other 49 states' rules, of a public
5 evidentiary process where your data is subject to
6 cross-examination by the other parties and you have a mini
7 trial.

8 The PUC suspended those rules only to look at
9 whether LNG was needed in California. And I submit, and I
10 was there and I saw the data, the reason we did that was
11 because the banks came to the individual Commissioners and
12 said, we will not fund these projects until we know that
13 you, California PUC Commissioners, will put the ratepayer
14 on the hook for the price. And the way you do that is to
15 declare, administratively, that LNG is needed and to
16 declare that the utilities shall buy LNG once it's
17 available. So the PUC changed 96 years of procedure and
18 our current procedure, under which the 2006 gas demand
19 forecasts were submitted by the utilities, specifically to
20 be able to make the finding that LNG is needed.

21 I submit it's because they could not have made it
22 if we would have followed the normal public evidentiary
23 processes in that one case.

24 ACTING COMMISSIONER SHEEHAN: Okay, but let me
25 ask a question. What's the process you used on the

1 renewables and the new requirements on renewables, because
2 many of them may not be as economically attractive as we
3 think of them because the production price may be more
4 expensive. So explain to me the process the PUC made sure
5 they go through, because they have to take into account
6 that that energy price is, in fact, like you're saying
7 about LNG, more expensive?

8 MS. LYNCH: It's a benchmark price for
9 renewables. The renewables process is set in statute by
10 the Sher bill of 2001. I think that was 1071 or 1074.
11 And so that Sher bill has a renewable portfolio standard
12 procedure, which the PUC must follow by statute. It is
13 similar to the normal public evidentiary process, which is
14 under oath. So the renewable process is also under oath,
15 public and tested in that normal administrative
16 quasi-judicial rule-making format.

17 However, the definition that the PUC uses to
18 determine efficacy or economic viability of a renewable
19 project are different and set specifically for renewables
20 versus the definition it had used in the past. Why?
21 Because renewables were not becoming part of our portfolio
22 in the past precisely for these cost issues that were
23 confronting us. So that is set by statute. It's more
24 similar to that normal judicial hearing process than the
25 truncated, flawed, from my perspective, sham that the PUC

1 used in its natural gas procurement rule-making in 2004,
2 the decision from which I dissented.

3 ACTING COMMISSIONER SHEEHAN: Thanks.

4 CHAIRPERSON GARAMENDI: Thank you very much.

5 I'm going to call up another five people. Karen
6 Kraus, David Howekamp, Richard Heede, and Nathan Alley.
7 That's four. September Hopper.

8 MS. KRAUS: Good afternoon, Commissioners. My
9 name is Karen Kraus, and I'm staff attorney at the EDC.
10 My testimony will address the significant and unmitigated
11 air quality impacts to the Ventura County and south coast
12 air basin ozone nonattainment areas.

13 Mr. David Howekamp, who formally worked at EPA's
14 Region 9 office for over 30 years, 18 years as Director of
15 the Air Division, will address the substantial lack of
16 adequate mitigation in the areas most impacted by this
17 project. In preface to his testimony, I would just like
18 to make a few clarifications regarding some items that may
19 not have been clear from the earlier presentation.

20 First, when you're talking about ozone, there are
21 two ingredients: Nitrogen oxide and reactive organic
22 compounds. Both of those must be mitigated to alleviate
23 ozone impacts. The EIR identifies 59.8 tons per year of
24 reactive organic compounds from the project, but does not
25 identify any mitigation for those emissions.

1 Second, the EIR and BHP improperly divided the
2 impact analysis for FSRU emissions from the impact
3 analysis for vessel emissions. For Cabrillo Port there is
4 no legal or technical basis for this distinction. All of
5 the off-shore project emissions are likely to travel on
6 shore and effect air quality.

7 Lastly, I'd just like to quickly speak to some of
8 the more recent commitments, one of which we heard about
9 today, the new emission reductions for NOx. These are
10 11th hour commitments. Last minute promises like these
11 were also made for the revised EIR, including an
12 announcement the day of that hearing that project impacts
13 would be mitigated by retrofitting tug engines. As you
14 have seen in the Final EIR and you will soon hear from Mr.
15 Howekamp, the considered analysis of that proposal over
16 the last year has shown that it falls far short of the
17 promised mitigation. Please do not be taken in by these
18 belated promises. No one, including the staff, has had
19 sufficient time to confirm the claims. And even accepting
20 them at face value, they still do not correct the
21 substantial lack of mitigation for the air quality impacts
22 in Ventura county and the south coast air basin.

23 Thank you.

24 CHAIRPERSON GARAMENDI: Thank you.

25 MS. KRAUS: And I actually have a handout to

1 accompany Mr. Howekamp's testimony.

2 MR. HOWEKAMP: Good afternoon, Commissioners. My
3 comments today focus specifically on the mitigation
4 proposed by the applicant. The vast majority of the
5 on-shore impacts from the project occur in the south coast
6 air basin and Ventura county, because the winds blow
7 towards and directly deposit the project emissions over
8 these areas a great majority of the time.

9 I'll wait for you to get the table.

10 As shown in the table in the first column, all
11 159.9 tons per year of the project NOx emissions will
12 occur off of Ventura county and the south coast. This
13 includes emissions from vessels operating within the full
14 extent of California coastal waters within 90 nautical
15 miles as required by CARB.

16 In contrast, looking at the last column of the
17 table, and using EPA's calculations, which I believe are
18 correct, only 44.6 tons per year, at most 64.2 tons per
19 year by CARB calculations, of the tugboat NOx reductions
20 will actually occur off the coast of Ventura and the south
21 coast, far less than 159.9 tons per year of project
22 emissions.

23 Even taking into account the new information in
24 the staff report about reduced emissions from the FSRU,
25 and focusing only on vessel emissions within 24 nautical

1 miles, which is contrary to CARB's requirements, the
2 tugboat emission reductions are still far less than the
3 recalculated 110 tons per year of project emissions. And
4 adding in the six tons that we heard about this morning
5 will not alter that fact.

6 Consequently, the ozone precursor impacts in
7 Ventura county and the south coast air basin will be
8 substantially unmitigated contributing to increased ozone
9 concentrations and adversely impacting the health of the
10 residents. These two nonattainment areas have made major
11 progress, but are still far short of meeting the health
12 based ozone standard.

13 Based on our 30 years of experience in working
14 with Ventura and the south coast agencies, I know how
15 difficult it was to achieve the progress to date. Failing
16 to mitigate this project's emissions would add another
17 obstacle to their already daunting task. The unfortunate
18 result would be that the attainment of health goals may be
19 delayed or some other source will be required to make up
20 the emissions from this project.

21 Thank you.

22 CHAIRPERSON GARAMENDI: Thank you very much.

23 MR. HEEDE: Good afternoon, Commissioners. My
24 name is Richard Heede. I was retained by the Coastal
25 Protection Network and the Environmental Defense Center to

1 estimate the supply chained emissions -- we've had some
2 questions about that earlier -- sometimes called cradle to
3 grave emissions for the Cabrillo project.

4 I am somewhat mystified why the State Lands
5 Commission failed to account for direct emissions that
6 flow out of Cabrillo, namely by the combustion of the
7 natural gas that flows through the facility. But I was
8 also asked to include upstream sources of emissions, such
9 as that flowing from production platforms, although that's
10 not built or even designed yet; pipelining to the
11 liquefaction facility on shore 280 kilometers subsea
12 pipeline; and the intense energy and CO2 and methane
13 emissions from the liquefaction facility.

14 Following that, across the CO2 and methane
15 emissions for the, what is likely to be, an 11 best sold
16 LNG fleet, not yet ordered, that will transport liquefied
17 natural gas 7,100 nautical miles across the ocean, 9,000
18 miles, in essence, and then received at the terminal,
19 regasified through the additional use of natural gas to
20 heat the frozen liquid. And then transport it by pipeline
21 onto shore and distribute it, albeit with some losses in
22 energy and emissions, to ultimate customers, which then
23 come bust it. That last element is not surprisingly the
24 largest.

25 And in total the whole supply chain is 66 times

1 or so larger than the estimated emissions for the Cabrillo
2 facility itself. So taking a wide view, I think the whole
3 supply chain is important to consider in terms of gases
4 emissions. And the Commission should be commended for
5 inviting this testimony.

6 Thank you.

7 CHAIRPERSON GARAMENDI: So the entire supply
8 chain you estimate to be 66 times larger than the --

9 MR. HEEDE: Than the emissions from the Cabrillo
10 facility. Roughly we're talking in metric tons about
11 350,000 tons for the Cabrillo facility per annum. And the
12 whole supply chain is about 23 million metric tons of CO2.

13 COMMISSIONER CHIANG: Mr. Heede, your written
14 submission provides all the documentation and your source
15 material for this?

16 MR. HEEDE: That and the full report filed in May
17 of last year, with worksheets and notes explaining the
18 methodology, the assumptions. I used industry benchmarks.
19 I used BHP data when available. But this facility has not
20 been designed, so engineering data is not available.
21 Feasibility studies haven't even been filed with the State
22 of Western Australia.

23 And a follow-up to that. I also made a low and
24 high estimates and I could only use industry performance
25 data where available to estimate emissions. And my

1 numbers tend to be the average of the high and low.

2 CHAIRPERSON GARAMENDI: Thank you very much.

3 Please.

4 MR. ALLEY: Good afternoon. My name is Nathan
5 Alley. I'm a staff attorney with the Environmental
6 Defense Network. I'm going to be delivering testimony
7 that was helped prepared by Dr. Spicer, Dr. Tom Spicer
8 who's an expert on LNG safety. Unfortunately, he could
9 not be here with us today.

10 But fortunately the GAO report, which you saw
11 referenced earlier, really concludes that all of Dr.
12 Spicer's analysis of the FEIR are correct and there needs
13 to be a lot more analysis done before the public safety
14 consequences of the project can really be known.

15 For instance, the GAO report concludes that
16 experts disagree that the heat threshold used in the
17 Sandia report is properly protective of public safety. A
18 heat threshold as low as 1.6 kilowatts per meter squared
19 is proper use. That measure should be the standard for
20 predicting thermal impacts in the Final EIR.

21 Experts do agree that existing LNG released
22 studies are inadequate for proper risk assessment and
23 management. In particular, the GAO experts identified ten
24 areas for further research, including large scale spill
25 testing on water and large scale fire testing. These are

1 actual real world experiments. The Sandia report relies
2 on computer modeling, and that is not adequate for the
3 purposes of protecting our safety.

4 Sandia is actually currently preparing a revised
5 study that will address many of these issues. That study
6 will not be completed until 2008 and we would urge you to
7 wait for that study and use its conclusions based on your
8 analysis.

9 One example of what I'm talking about, at present
10 the ATBA, the Air To Be Avoided, has been set within the
11 hazard distance. In other words, the fire that could
12 result from a vapor dispersion would actually reach beyond
13 the ATBA. We believe that the ATBA should be extended in
14 order to give proper warning to ships that are traveling
15 in the shipping lanes.

16 Even if it was impossible to expand the ATBA as
17 pointed out in the report, that shows that the ATBA should
18 be extended.

19 Let me conclude by saying that we also continue
20 to be concerned with the ability of the Coast Guard and
21 State and local emergency teams to respond to an emergency
22 at the port. I apologize. I know I'm running out of
23 time. I've been trying to be brief here.

24 Congress has recently raised the question of the
25 Coast Guard's ability to respond in a Homeland Security

1 hearing. The Coast Guard has also not prepared a
2 waterways suitability assessment. That document is
3 considered crucial for siting on-shore facilities under
4 the FERC requirements. We don't why the Coast Guard has
5 chosen not to do it in this case. Part of the reason may
6 be that the Coast Guard has deferred its security planning
7 until after the license will be issued. That's simply not
8 acceptable.

9 In sum, I'd like to urge you to deny the
10 certification and deny the project.

11 Thank you.

12 CHAIRPERSON GARAMENDI: Thank you very much, Mr.
13 Alley.

14 Mr. Hopper.

15 Excuse me, apparently he's Ms. Hopper.

16 MS. HOPPER: Yes, it is. Thank you very much,
17 Commissioner.

18 My name is September Hopper, and with the
19 Environmental Defense Center. My comments will address
20 Section 4.7 of the Final EIR, marine biological resources.

21 Unfortunately, Section 4.7 fails to achieve the
22 CEQA adequacy requirements. The main reason for this
23 inadequacy is that the project's permitting agencies have
24 deferred formal consultation with the National Marine
25 Fisheries Service. Also, because NMFS has already

1 identified several gaps in the EIR, this consultation will
2 likely bring to light additional information on the
3 affected environment and could help correct three major
4 flaws in the EIR.

5 First, the geographic extent of the proposed
6 project's impacts is poorly defined and persistently
7 underestimated. Instead, the EIR must clearly acknowledge
8 the full breadth and depth of ocean that will be
9 insonified to harmful levels by project activities and the
10 full extent of the new LNG carrier shipping lanes.

11 Second, the EIR grossly underestimates the
12 presence of numerous special status marine species which
13 regularly occur throughout the project area. Rather than
14 incorporating data from the site-specific and local
15 research efforts, the document relies on one or two
16 general studies ill-suited to determining local population
17 dynamics.

18 And finally, because the EIR's conclusions on
19 impacts to special status marine species are based on
20 data-deficient analysis, the EIR's proposed mitigation
21 measures are also inadequate.

22 NMFS has repeatedly called for the submission of
23 detailed mitigation plans and this is yet to occur. The
24 few mitigation measures proposed in the EIR do not
25 adequately address the disclosed impacts to marine

1 species, nor do they withstand scrutiny from marine mammal
2 monitoring experts who have commented on them.

3 These three factors indicate that NMFS
4 consultation would result in significant changes to the
5 substance and conclusions of the EIR. Therefore, this
6 process must be completed and its results integrated into
7 the CEQA impact analysis before the EIR can be considered
8 for certification.

9 I think thank you very much.

10 CHAIRPERSON GARAMENDI: Thank you.

11 I'm going to set up another round here. And this
12 should conclude the presentation by the organized portion
13 of the opposition.

14 Celia Williams, Shiva Polefka, Cara Horowitz,
15 Cameron Benson and Linda Krop.

16 MS. WILLIAMS: Honorable Commissioners, my name
17 is Celia Williams and I'm speaking on behalf of the
18 Environmental Defense Center also.

19 Section 4.7 of the EIR emits enumeration of
20 annual sea water intake volume associated with LNG carrier
21 ship ballasting and cooling. According to the California
22 Coastal Commission, docked LNG carrier ships would take in
23 more than 1.6 billion gallons of sea water per year,
24 meaning that the project will actually require more than
25 twice as much sea water intake as the 1.4 billion gallons

1 per year disclosed in what is supposed to the Final EIR.

2 Sea water intake is generally known to impact
3 plankton communities by causing extremely high rates of
4 mortality among the invertebrates, fish eggs and fish
5 larvae caught in the intake flow and Subjected to
6 impingement and entrainment.

7 The EIR cannot be considered complete until
8 project intake is accurately disclosed, nor can it be
9 considered complete until a critical baseline on plankton
10 richness at the site is established. Yet, despite
11 numerous calls for such information from experts in the
12 public, the EIR still lacks any site specific data on the
13 numbers, types or temporal variations plankton that occur
14 at the site. Despite the economic and ecological
15 importance of the effected fisheries, the EIR's
16 conclusions on how they will be impacted thus remains
17 speculative at best.

18 Finally, the EIR must provide meaningful
19 consideration of a range of reasonable project
20 alternatives, especially those that could mitigate or
21 identify adverse environmental impacts. In this case, the
22 EIR is remiss for failing to consider an alternative
23 off-shore LNG project that does not require an FSRU. Such
24 is a proposal based on ship-board regasification. As
25 deployed by the applicant, this alternative could yield a

1 nearly 50 percent reduction of required sea water intake,
2 as well as several other environmental benefits, a truly
3 significant impact mitigation measure.

4 Thank you.

5 CHAIRPERSON GARAMENDI: Thank you.

6 Whichever one wants to come next.

7 MR. POLEFKA: Commissioners, thank you for your
8 time. My name is Shiva Polefka. And I also will
9 addressing Section 4.7.

10 This section of the EIR provides only superficial
11 discussion on the impacts to marine wildlife from the
12 project's proposed night lighting. Unfortunately, the
13 unsupported analysis and conclusions that comprise the
14 discussion are egregiously inadequate, relative to the
15 impacts project lighting will have. Night lights are
16 known to attract and disorient sea birds, causing them to
17 circle the lights and feel exhausted, collide with
18 structures, separate from dependents and expose them to
19 increased predation.

20 The preponderance of scientific data both on the
21 impacts that lighting has on avian species and on the
22 likelihood that light-sensitive species occur at high
23 densities in the effected area, including the California
24 ESA-listed Xantus's Murrelet, indicate that the project
25 could have profound adverse impacts.

1 Yet, rather than objectively considering these
2 impacts, relative to intensity data for the FSRU's 15
3 Halogen flood lamps and numerous hazard beacons, the EIR
4 simply presents inappropriate misleading comparisons to
5 car headlights and small vessels.

6 The EIR then concludes that impacts to sea birds
7 would be insignificant, relying only on groundless,
8 dubious assumptions on sea bird densities and impact
9 extent.

10 In contrast to the EIR's two paragraphs of
11 assumption based analysis, the California Coastal
12 Commission staff report required more than five pages to
13 review the data it deemed relevant to light impact
14 analysis. Finally, concluding quote, "Given the high
15 diversity and density of sea birds at the proposed FSRU
16 location as well as the recognized vulnerability of many
17 of these species to adverse impacts from night lighting,
18 such as that required by Cabrillo Port, the proposed
19 project would adversely affect the California listed
20 Xantus's Murrelet, several California species of special
21 concern and a variety of other sea birds."

22 In short, the EIR fails to adequately identify or
23 consider what is likely a Class 1 impact to California
24 protected species, a failing that leaves the document
25 incomplete and inadequate.

1 Thank you so much for your time.

2 CHAIRPERSON GARAMENDI: Thank you.

3 MS. HOROWITZ: Thank you, Commissioners. I'm
4 Cara Horowitz with the Natural Resources Defense Council.
5 I'm here today on behalf of my organization and our more
6 that 124,000 California members.

7 I'm here to state NRDC's strong opposition to
8 this project. Though NRDC recognizes the potential for
9 LNG to play a role in our energy mix, no matter what you
10 think of LNG, it's critical that we choose the right
11 project for California, one with the smallest
12 environmental footprint, one that minimizes impacts for
13 our coastline and to nearby communities.

14 After review of the Final Environmental Impact
15 Report and related documents for Cabrillo Port, NRDC has
16 concluded that this project is the wrong choice for
17 California. Projects with potentially smaller
18 environmental footprints have not been adequately
19 considered, either in this FEIR or otherwise. This
20 contravenes CEQA's central requirement that an EIR
21 consider alternatives that might lessen impacts of a
22 project.

23 In contrast to BHP's proposals of building a
24 massive LNG storage platform off shore, recent proposals
25 by other companies would eliminate the need for a platform

1 altogether in favor of a docking pipeline or eliminate
2 storage by regasifying and transferring the gas to a
3 pipeline, but no such alternatives were considered here.

4 Proceeding with this project without first
5 assuring that it's the least harmful to the environment
6 and to local communities is irresponsible and wrong. This
7 is especially true given the severe air quality impacts
8 that this project will have. While BHP has come forward
9 with some 11th-hour mitigation proposals to offset NOx
10 emissions, it's proposed mitigation is still woefully
11 inadequate. Most importantly, only about a third of the
12 project's NOx emissions would be offset in the Ventura
13 county and south coast districts, as opposed to elsewhere
14 in the state, meaning that nearby communities already
15 suffering some of the worst air pollution in the state
16 would see air quality worsen substantially, despite the
17 mitigations.

18 I'll refer you to NRDC's and EDC's other comment
19 letters and comments with respect to poorly mitigated
20 impacts to marine wildlife.

21 And in sum, I'll urge you to take very seriously
22 the significant concerns of affected community members
23 being expressed here today. Whatever the right LNG choice
24 looks like, this isn't it.

25 Thank you very much for your time.

1 CHAIRPERSON GARAMENDI: Thank you.

2 MR. BENSON: Good afternoon, Chairman Garamendi
3 and Commissioners. My name is Cameron Benson and I'm the
4 executive director of the Environmental Defense Center.
5 I'd like to address three sections of the Final EIR.

6 With respect to on-shore biological resources,
7 the EIR has inappropriately deferred many baseline surveys
8 of species and wetlands. Most plans for mitigation and
9 monitoring have also been deferred. We're assured that
10 the project will not cause serious impacts but specifics
11 are left out. According to state law, the project may not
12 proceed without a better understanding of how species and
13 habitats will be protected.

14 The Final EIR similarly defers site-specific
15 geotechnical and seismic hazard studies. Underwater
16 pipelines would overlay areas of the seabed that are prone
17 to violent seismic activity. An earthquake of any
18 significant magnitude could interrupt gas service and
19 release large quantities of pollutants into the ocean and
20 on shore.

21 The United States Geological Survey pointed out
22 deficiencies in the project review in 2004. Today, as
23 Congresswoman Capps mentioned, the USGS submitted has
24 additional comments on the Final EIR criticizing the
25 analysis of geologic hazards and pointing out the need for

1 additional study of false peak ground acceleration, slope
2 stability, turbidity currents, sediment liquefaction and
3 Tsunamis. The project cannot be approved without this
4 analysis to ensure that risks associated with the
5 off-shore pipelines are addressed.

6 The project will also result in numerous
7 violations of State and federal water quality standards.
8 A draft NPDES permit for the project reveals that State
9 thermal standards will be violated, discharges of copper
10 and chlorine will be inadequately regulated and the
11 proposed mitigation relies on untested and potentially
12 infeasible closed-loop cooling system.

13 In conclusion, we, the public, and you, the
14 decision makers, are left without enough data to properly
15 judge this project safe and environmentally sound. For
16 these reasons, the Cabrillo Port project must be denied.

17 Thank you.

18 CHAIRPERSON GARAMENDI: Thank you very much.

19 MS. KROP: Good afternoon. I'm Linda Krop, Chief
20 Counsel of the Environmental Defense Center. We represent
21 the California Coastal Protection Network.

22 Given the project's 20 Class 1 impacts to air and
23 water quality, public safety, marine mammals and more, it
24 is especially critical that the EIR give you a range of
25 alternatives to choose from as required by CEQA.

1 You have already heard about alternatives that
2 can meet California's energy needs, which helps me stick
3 to my minute and a half, but these include conservation,
4 efficiency, renewables, domestic gas supplies, and gas
5 from Baja, but none of these alternatives were addressed
6 in the EIR. Nor were other LNG projects already proposed
7 off shore of California reviewed or LNG technologies, such
8 as ship-board regasification, ambient air regasification
9 and selected catalytic reduction, all of which would
10 significantly reduce project impacts.

11 Rather than focusing on all of these alternatives
12 that already exist or are being proposed, instead the EIR
13 selected one alternative from a 30-year old study that is
14 no longer relevant and will never be constructed or
15 approved. Accordingly, the EIR offers you no
16 alternatives, a violation of CEQA and must not be
17 certified.

18 Even if the flaws in the EIR were to be fixed,
19 however, the project still should not be approved. Simply
20 revising the EIR again will not resolve the fact that the
21 project will pollute our air and ocean and pose
22 unacceptable risks to public health and safety.

23 Fortunately, denying the project will not result
24 in an adverse effect on the state's energy needs. As the
25 Final EIR itself points out, if the project is denied, the

1 state's demand will be met by other energy projects.
2 Hopefully, a denial will result in a process by which
3 California finally analyzes and compares its various
4 energy options.

5 Thank you for your consideration.

6 CHAIRPERSON GARAMENDI: Thank you very much.

7 We're going to now move on to a lengthy list of
8 110 people that want to testify. We're going to adhere
9 very closely to the minute and a half. I would suggest
10 you not repeat what has already been said, other than to
11 reference it, add new information if you would be so kind
12 as to do so.

13 I'm going to read five names, and if those people
14 will come and -- looks like there's a table with four
15 chairs that leaves one person at the podium and four
16 seated. Then move to the podium one after another. Kraig
17 Hill, Paul Kowalski, Gary Cushing, Brian Mock and George
18 Niznik.

19 If you'll come up, take your places, start with
20 Kraig, who somehow got the first of the list. For those
21 of you that are in the next bunch of five people Hank
22 Lecayo Don Facciano, Jean Harris, Tony Skinner. Don't
23 come up yet, just be prepared.

24 Ready, set, go.

25 MR. HILL: Good afternoon, Commissioners.

1 Listening to all the comments so far, I'm shocked to hear
2 how much what I've heard conforms with what I have found.
3 I have degrees in law and ocean policy. I've consulted
4 for both environmental and industry groups. I've been
5 following this proposal for four years. My 90-page
6 analysis was prominently cited in the Coast Guard's data
7 gaps letter. And I still see lots of red flags,
8 everything that's been said.

9 New information. The seismic risks are
10 understated. The EIR ignores CalTech data showing a
11 greater number of known active faults than stated.
12 Billiton suggests that during a quake, the pipelines would
13 safely shift on the seabed, but they don't acknowledge
14 that the hydrostatic pressure would marry the pipelines to
15 the seabed, such that the ground shift would also be
16 experienced by the pipe. They've doubled the length of
17 pipe in revising their application, so now you've doubled
18 the risk of a seismic incident. The short crossing still
19 looks problematic with regard to sedimentary perturbation.
20 Relatedly, I pointed out that a NOAA map shows that the
21 pipes would cross near a hazardous dumpsite. Billiton's
22 response, that's not where the site is. It just says that
23 on the map.

24 And overall they failed to assess many of the
25 potential cumulative and long-term impacts that CEQA says

1 must be addressed. In particular, they have ignored
2 compound failures. For example, if a storm were strong
3 enough to rip the FSRU from its mooring, it would likely
4 also be strong enough to disable the attending vessels.

5 Diversity? No. Diversity would be diminished by
6 exchanging the current system where multiple competing
7 suppliers share the pipelines for a regime where 15
8 percent of the state's supply would be locked into a
9 single supplier, who might or might not be able to keep
10 its pipeline flowing.

11 So in sum, there are more unmitigable impacts
12 than stated. Billiton hasn't established project need nor
13 reasonably addressed alternatives.

14 Thank you.

15 CHAIRPERSON GARAMENDI: Thank you very much.

16 Mr. Kowalski.

17 MR. KOWALSKI: Thank you, Mr. Chairman.

18 Distinguished Commissioners, my name is Paul Kowalski.
19 I'm the founder of tidepower.org, an organization designed
20 to promote the research and adoption of wave and tidal
21 power generation.

22 As a society we're at a cross-roads. And I
23 believe many difficult decisions face us. And we need our
24 commissioners to continue to increase their requirements
25 for and prioritization of renewable and sustainable

1 practices as a factor in the decision-making process.

2 My position is that the densely populated and
3 fault riddled earthquake zone of southern California is
4 not the right place for the impacts of this LNG terminal.
5 And because of the new regulatory changes and the
6 deficiencies identified in the EIR/EIS, the Commission
7 deny the certification of the EIR Report.

8 CHAIRPERSON GARAMENDI: Thank you.

9 Mr. Cushing?

10 Mr. Mock?

11 Mr. Niznik.

12 MR. NIZNIK: Mr. Niznik is right.

13 Dear members of the Commission, only in a America
14 can people wake up, make their breakfast on the gas stove
15 and come in here and protest against natural gas, but
16 that's what's happening apparently this afternoon and this
17 morning.

18 What I want to address today was the
19 misconception being bantered about that we have enough
20 natural gas and what we don't have we can get from Canada.
21 However, I uncovered some very frightening facts.

22 North America, and that includes Canada, has only
23 4 percent of the world's known natural gas reserves.
24 Russia has 32 percent. The Middle East has 41 percent.
25 That means that 73 percent of the natural gas reserves in

1 the world lie in the hands of unfriendly nations.

2 In contrast, North America uses 24 percent of the
3 natural gas produced. By 2020, North America, and we
4 heard about Mexico already, is going to be a net importer
5 of natural gas. Thirty-nine percent of all natural gas
6 used will have to arrive by ship as liquid throughout the
7 world. The exporting regions will be Australia, South
8 America, the Middle East, Russia, and North Africa.

9 Where did we want to buy our energy?

10 And the two countries competing most for the
11 Liquid Natural Gas will be China and the United States.

12 So these are facts which should be apparent to
13 all, and it's not if Liquid Natural Gas will be needed in
14 Ventura county, it's when.

15 CHAIRPERSON GARAMENDI: Thank you very much.

16 We're going to go through the next five people.

17 Mr. Lacayo, Mr. Facciano, Ms. Harris, Mr. Baldwin
18 and Mr. Skinner.

19 While they're coming up, I'll read the next five
20 so that you can be prepared: Mr. Margulies, Mr.
21 McLaughlin, Ms. Abramson and Mr. Caldwell. That's four.
22 Five would be Ms. Munro.

23 Mr. Lacayo.

24 MR. LACAYO: Good afternoon, Commissioners.

25 Thank you for allowing me the opportunity to speak to you.

1 My name is Hank Lacayo. And I'm currently serving a
2 second term as state president of the Congress of
3 California Seniors. It's sort of hard for me to cut my
4 remarks down, so I'll try to do my best, Mr. Chairman.

5 We wouldn't endorse a project that we believe did
6 not and could not make a commitment to ensure that public
7 safety in the environment are a top priority. And we're
8 not alone in supporting Cabrillo Port. I'm pleased today
9 to add my voice to the State Building and Construction
10 Trades Council, California Hispanic Chamber of Commerce,
11 the Asian Business Association, California Black Chamber
12 of Commerce, the Regional Legislative Alliance of Ventura
13 and Santa Barbara County, and many other groups and
14 citizens that support Cabrillo Port here and now.

15 It's a fact that the California Energy Commission
16 and the Public Utilities Commission support the
17 importation of liquefied natural gas. And the prior
18 speaker, Mr. Niznik pretty much said it all. In fact,
19 natural gas is clean, emitting 40 percent less pollutants
20 than coal and oil. Some in this audience will have you
21 believe that renewable energy will meet all of our state's
22 need for energy today. Unfortunately, we're far from that
23 reality.

24 However, natural gas can serve the bridge to
25 California renewable energy. It's a fact, according to

1 Terra Pass, an average car emits five tons of greenhouse
2 gases per year. Fifty opponents in this audience emit
3 more emissions today with their cars right here in Oxnard
4 than Cabrillo Port would annually 14 miles off shore. Are
5 these the same project opponents trying to mitigate their
6 own emissions today?

7 Just as much as BHP Billiton will commit to in
8 its entire project's mitigation package?

9 There would be many more supporters in this
10 audience today would it not be for intimidation tactics to
11 discourage them from taking a position with the public.

12 And we cannot let a few speak on behalf of the
13 entire state. So I speak for those who cannot be here
14 today, because I feel everyone should have a voice. I
15 speak for many seniors, hard working families, Latinos,
16 consumers, veterans and laborers to say that we need the
17 energy today and we need it now.

18 Commissions, let's keep the lights on.

19 Thank you.

20 CHAIRPERSON GARAMENDI: Mr. Lacayo, you've given
21 me and I suspect Mr. Chiang more additional time. If
22 you'd like a few additional seconds, you're welcome to
23 them.

24 MR. LACAYO: Well, I could -- it's kind of hard
25 to raise and stand in front of you after hearing so many

1 of my friends take the other side of the question. But as
2 you all know, I in my heart feel that I'm taking the right
3 decision. I support an open and constructive and
4 reasonable dialogue about Cabrillo Port because I believe
5 that when people have the facts and read the final EIR
6 report, they will understand that this project will be
7 built to the highest public safety and environmental
8 standards of all other project alternatives to provide
9 clean and safe and affordable energy.

10 I know you have a difficult decision to make. I
11 know you've been pressured a lot by different
12 organizations and individuals.

13 Please keep an open mind and let us go forward
14 with a good project that will provide the necessary fuel
15 to continue with the lights on and being able to cook our
16 food.

17 Thank you.

18 CHAIRPERSON GARAMENDI: Thank you very much.

19 Mr. Facciano.

20 MR. FACCIANO: Don, Facciano, President of the
21 Ventura County Taxpayers Association.

22 We represent businesses and jobs that rely upon a
23 ready supply of clean burning and efficient natural gas.
24 We are concerned about its increasing price and we support
25 expanding the state's supply of natural gas. Increasing

1 access to natural gas supplies is critical to the success
2 of the business community and the economic health of our
3 working families here in Ventura County.

4 Both the California Energy Commission and
5 California Public Utilities Commission say that liquefied
6 natural gas should be a part of California's energy
7 supply. We agree Cabrillo Port will lead to increased
8 access and stabilized prices for all Californians, for
9 additional direct economic benefits to local businesses
10 and residents without any taxpayer support or public
11 subsidy.

12 If we're to prevent another energy crisis, we
13 need a new energy infrastructure. California should make
14 every effort to ensure reliable sources of clean energy.
15 With coal, oil and nuclear energy being decreased in use,
16 natural gas is needed as a source of cleaner and reliable
17 energy to fill this energy gap so that business can
18 continue to operate and succeed in this state and region.
19 Renewable and conservation if implemented in a way that
20 does not unfairly burden the taxpayer can play a part.
21 But alone those measures cannot address the magnitude of
22 California's energy challenges.

23 We encourage you to grant the necessary permits
24 to BHP Billiton.

25 I brought -- I would have brought all three

1 copies of the report up, but I didn't want to get a
2 hernia. So I just brought the one. This is the proof
3 right here in the three volumes, and the staff did a good
4 job.

5 Thank you.

6 CHAIRPERSON GARAMENDI: Thank you very much.

7 Ms. Harris.

8 MS. HARRIS: If you're available for a little
9 comedic relief, I wore my Mardi Gras beads because they've
10 performed magic on -- every time I've spoken on some
11 subject.

12 And actually, Mr. Garamendi, you provided the
13 first magic this morning, because I admire everything that
14 the EDC came up with. But you convinced me with your
15 questions to the staff that the EIR was inadequate, and
16 that was very quickly taken care of for me.

17 California is leading the country in the
18 protection against greenhouse gases. We -- the
19 Legislature has passed such good laws, that we're very
20 proud of that.

21 And if we grant BHP, we would be flying in the
22 opposition to what California's doing. California is such
23 a good example. And here if we accept BHP, it's like we
24 were the opposite. And I know the Lands Commission is
25 not.

1 So Mr. Garamendi, Mr. Chiang, and Ms. Sheehan, we
2 want to be proud of you tonight as you vote.

3 CHAIRPERSON GARAMENDI: Thank you very much.

4 Mr. Baldwin, followed by Mr. Skinner.

5 MR. BALDWIN: Than you, Mr. Chairman,
6 commissioners. My name is Richard Baldwin. I'm an air
7 quality consultant for BHP Billiton on Cabrillo Port to
8 find emission offsets for the project.

9 When I was hired, I was told to leave no stone
10 unturned in the way of finding offsets for this project.

11 I worked over 30 years in government air
12 pollution control, with my last 20 years as a Ventura
13 County air pollution control officer, which I retired from
14 in 2002.

15 The Air Resources Board in its February letter to
16 the State Lands Commission indicated they are most
17 concerned about NOx emissions. While ARB has stated the
18 emission reductions from this project exceed what is
19 required under the current applicable regulations, BHP has
20 committed to fully offset all project NOx emissions.

21 Until recently there were 19 tons per year
22 shortfall in BHP's commitment to fully offset all NOx
23 emissions, even though it is not required under the EPA
24 permit.

25 BHP has now found enough NOx reductions to fully

1 offset NOx emissions from the proposed project based on
2 ARB's calculations. ARB's calculations look at emission
3 impacts on California coastal waters, which go out over 60
4 miles beyond 25-mile -- the 25-mile federal waters limits.
5 As of today, the end result of this project will be a net
6 reduction in NOx emissions.

7 The final 19 tons per year of emission offsets
8 were achieved by reducing the submerged combustion
9 vaporizer emissions by 15 tons per year and by purchasing
10 six tons per year of NOx emission reduction credits.

11 The vaporizer reduction occurred as a result of
12 long-term engineering studies to find ways to reduces its
13 emissions.

14 I'm pleased to answer any questions you may have.

15 COMMISSIONER CHIANG: Yes. You mentioned the NOx
16 reductions. How about ROC?

17 MR. BALDWIN: At this point I haven't finished
18 looking at that because all the focus has been on NOx.

19 COMMISSIONER CHIANG: You have to meet both,
20 correct? Interpretation 26.2

21 MR. BALDWIN: Without getting into analysis, I
22 was hired to get NOx credits and that's what I've been
23 working on for a couple weeks.

24 COMMISSIONER CHIANG: I think there's more
25 concern about the other one.

1 MR. BALDWIN: Okay.

2 CHAIRPERSON GARAMENDI: Thank you.

3 Mr. Skinner.

4 MR. SKINNER: My name is Tony Skinner and I
5 represent the TriCounties Building and Construction Trades
6 Council. I'm here in support of the natural gas project
7 at Cabrillo Port.

8 But no matter where you stand on the issue, you
9 must respect the work that the staff has done in response
10 to the public comment on the environmental report. I
11 don't claim to be an expert, but I truly believe they've
12 done their due diligence in presenting this report. I
13 also believe that most of their concerns have been
14 addressed. I believe the natural gas project will provide
15 a bridge between fossil fuels and alternative energy
16 sources.

17 The biggest problem I see is the consumption
18 habits of the people in California. With gas prices where
19 they are, we're still surrounded with SUVs with one person
20 in them.

21 I urge the Commission to adopt the staff
22 recommendation and approve Cabrillo Port.

23 Thank you.

24 CHAIRPERSON GARAMENDI: Thank you very much.

25 MR. MARGULIES: I have a home in Port Hueneme.

1 I've practiced pulmonary medicine for 35 years. And I'll
2 go back to calling it smog, the air pollution that we're
3 concerned about today, and public safety.

4 I'm going to give you some new information that
5 has its roots in half a century ago. In the 1950s from
6 the upper floors of Los Angeles County Hospital we could
7 see the visible smog and we began to recognize when the
8 emergency room would have increased entrance of patients.
9 And it was probably not until the sixties that the
10 association was made because there was a gap between the
11 time the smog occurred and three or four days later when
12 the people got sick enough to come to the hospital and
13 ultimately got admitted.

14 The current issue of the Ontario Medical Journal
15 has made correlations stepping beyond that. They not only
16 are finding that the epidemic of childhood asthma and the
17 epidemics of increased mortality of people with chronic
18 ongoing lung disease is related to the air pollution, to
19 smog, and they are recognizing that this is a fossil fuel
20 and they're recognizing that it's primarily the coal and
21 oil industries that are responsible for it; but they are
22 now recognizing that heart disease and excess cardiac
23 mortality is related to the peaks in air pollution, smog,
24 and they are recognizing that this correlates with
25 hospital admissions and deaths in people who are

1 considering themselves as healthy who have not already had
2 cardiac diagnoses, and this portends a new look at public
3 safety for the future.

4 Thank you.

5 CHAIRPERSON GARAMENDI: Thank you very much.

6 Anne, do you want to take over --

7 ACTING COMMISSIONER SHEEHAN: Yeah, I'll take
8 over.

9 The next speakers: Charles McLaughlin, Sarah a
10 Abramson, Andy Caldwell, and then Trisha Munroe.

11 Is Charles McLaughlin here?

12 No.

13 Ms. Abramson, you want to come up.

14 MS. ABRAMSON: Good afternoon, Commissioners. My
15 name is Sarah Abramson and a staff scientist with Heal The
16 Bay.

17 Today I urge you to deny both certification of
18 final EIR and issuance of a general lease for this
19 project.

20 We find the EIR inadequate in several areas,
21 including impacts to water quality and biological
22 resources.

23 Furthermore, the EIR identifies an incomplete
24 baseline which fails to include numerous data sets that
25 represent existing marine resources in the area. The

1 National Marine Fishery Service has identified the need to
2 consider additional existing data sets for baseline
3 determination. Yet the EIR fails to include Cascadia
4 Research, the Ocean Conservation Society database and
5 numerous others for the region.

6 For example, the Ocean Conversation Society has
7 conducted numerous marine mammal surveys in the project --
8 nearby the site in the past five years. And there were
9 frequent sitings of fin, blue and humpback whales as well
10 as off-shore bottle-nosed dolphins. However, the EIR
11 glosses over these and other readily acceptable data, and
12 instead provides a skeletal misrepresented baseline marine
13 mammals in the area.

14 Although Heal The Bay is not opposed to LNG in
15 general, we are opposed to this project on its
16 environmental merit.

17 We further believe that the only reason this
18 project has progressed this far in permitting is because
19 the State of California has failed to provide the clear
20 framework for evaluating LNG projects. This failure has
21 resulted in a rat race of LNG proposals in California,
22 none of which are collectively evaluated on their
23 environmental merit.

24 There is a clear need for uniform criteria to
25 compare this hodgepodge of LNG proposals in California.

1 Based on these and the written comments we
2 submitted early last week, I urge you to deny the
3 proposals before you today.

4 Thank you.

5 ACTING COMMISSIONER SHEEHAN: Thank you.

6 Andy Caldwell and Trish Munro.

7 MR. CALDWELL: Commissions, I'm Andy Caldwell
8 representing COLAB, the Coalition of labor, Agriculture,
9 and Business of Santa Barbara County. And we're here
10 because this is a project of statewide importance.

11 Some of the questions we feel from the Chair were
12 a little bit unfair in terms of asking for the footprint,
13 the environmental footprint and impact of this project,
14 because they don't ask the same question of some of the
15 alternatives. You know, as far as windmills don't come
16 from methane and wind machines impact aquatic life -- I
17 mean the wave machines. And windmills can, you know,
18 damage birds as well. And there often seems to be an
19 unlevel playing field when we discuss project impacts in
20 the real world.

21 The unescapable fact is that we can only supply
22 15 percent of what we need in the State of California, and
23 natural gas is a relatively clean fuel and we should
24 encourage its use.

25 As the California Energy Commission staffer

1 indicated today, we need more supplies, we need more
2 competition, and it is prudent to have a diversified
3 portfolio to meet California's energy needs.

4 The "no project" alternative that people are
5 asking for should also include a continued dependence upon
6 coal and oil. If we're going to be talking about the
7 impacts -- or the benefits of alternatives, we need to
8 consider the impacts of the "no project" alternative,
9 which is the status quo. And we believe that if you
10 looked at everything together, that as the California
11 energy staffer said, it makes sense to increase our
12 supplies and increase competition.

13 And, finally -- I'm sorry that Mr. Garamendi is
14 not here on this. But on page three of the staff report
15 today, there is an indication that Southern California Gas
16 has agreed to buy the natural gas that would be delivered
17 by this project at market rate.

18 Thank you.

19 ACTING COMMISSIONER SHEEHAN: Thank you.

20 CHAIRPERSON GARAMENDI: Let me list off a few
21 more names while you're getting ready.

22 It looks like Larry Godwin, Shirley Godwin,
23 Trevor Smith, and Michael --

24 MR. STUBBLEFIELD: -- Stubblefield.

25 ACTING COMMISSIONER SHEEHAN: Correct. Good.

1 Go ahead.

2 MS. MUNRO: Thank you.

3 Yes, my name is Trisha Munro and I'm a resident
4 of Oxnard, and I pretty much represent myself.

5 I have a lot of concerns about getting anything
6 from a foreign country. We've already gone down that
7 path. And I think that the Governor has made a really
8 great stride towards us going more green. There's
9 millions of grooves in California, and we could put solar
10 panels on them if they were available. We could have more
11 industry doing solar panels. But those are unavailable.

12 The other -- the other thing I heard this morning
13 on the radio was that they're going to try to regulate
14 natural gas like OPEC. And I thought that was kind of
15 serendipitous since we're having these hearings and
16 everybody's talking about cheap energy. If they regulate
17 it like OPEC, we're going to be paying like we do for
18 OPEC.

19 And my last concern involves and abalone. The
20 National Park has been working about 20 years on
21 protecting and getting the abalone not to go extinct. And
22 this emissions -- and actually something from your own
23 office told me that all of the swimming forms, the babies,
24 will be killed by the LNG platform when they suck in the
25 water. They did say that they would try not to put any

1 pipelines on any place where there would be abalones.

2 But that's just one concern that wasn't really
3 addressed properly, and I would really like you to think
4 about all the little minor issues and hope that you would
5 send this back to the drawing board.

6 Thank you.

7 CHAIRPERSON GARAMENDI: Mr. Godwin, I believe
8 you're up next.

9 MR. GODWIN: I'm Larry Godwin. I'm a long-term
10 resident of Oxnard. And I urge you not to certify the
11 final EIR and not to approve the lease of state lands for
12 the sub-sea pipelines for Cabrillo Port at LNG terminal.

13 The EIR is presently and likely to remain legally
14 and scientifically inadequate. It is indisputable that
15 the safety hazard zone numbers are fabricated using
16 unvalidated computer models and that the computer
17 modeling -- computer-generated safety zones cannot be used
18 to assess the risk to the public.

19 I retired after 40 -- working 40 years as a
20 civilian physicist at Point Magu Naval Base. I designed
21 infrared measurement systems for flight on military
22 aircraft. I regularly submitted documentation to aircraft
23 safety boards for certification of flight.

24 The EIR violates every standard that is used by
25 safety boards when determining safety. Some of these

1 standards are, number 1, assume nothing, prove and
2 validate everything; number 2, your past safety record
3 does not count for anything; number 3, the worst possible
4 event, no matter how improbable, will happen and it will
5 be much worse than you thought; and, number 4 and last,
6 there must be no compromise when it comes to public
7 safety.

8 Thank you.

9 MS. GODWIN: My name is Shirley Godwin. I'm a
10 45-year resident of Oxnard.

11 Clearly we can do better than tie our state to a
12 new fossil fuel source. We have the technological
13 resources to create a vibrant, clean, alternative energy
14 economy and be leaders in this area.

15 The State of Oregon plans to use their greatest
16 natural resource, the Pacific Ocean, to provide clean,
17 dependable and economical energy locally through wave
18 energy.

19 The first electricity-generating buoy could be
20 operational by this summer. A buoy floating in the ocean
21 would pick up electromagnetic energy from the rising and
22 falling of the ocean swell. The buoy would be anchored to
23 the sea floor via a tethered system that delivers the
24 energy downward and then to the coast along cables.
25 Doesn't this sound a lot better than what BHP proposes?

1 Wave energy research is rapidly moving forward
2 and it is being looked at as an economic boon for the
3 coastal cities and counties of Oregon.

4 California shares the same ocean as Oregon. Our
5 state can be one of the leaders in wave energy too. And
6 of course we have the sun, the wind and geothermal areas.
7 California could lead the nation and the world to a
8 cleaner energy future.

9 Supporting LNG would be a giant step backwards.

10 Thank you.

11 CHAIRPERSON GARAMENDI: Thank you very much.

12 Four more names -- five more names.

13 Trevor Smith, Michael Stubblefield, Mr. Everts,
14 and Maria Ortiz, if you'll come forward. And Mr.
15 Wilcox -- or Willox.

16 Can you start with -- whomever -- Trevor.

17 Mr. Smith.

18 MS. SMITH: Good day, Mr. Lieutenant Governor,
19 members of the Board. Thank you for allowing --

20 CHAIRPERSON GARAMENDI: Thanks a lot for coming
21 up. Let's hear what you have to say.

22 MS. SMITH: Good day, Lieutenant Governor and
23 members of the Board.

24 I have a little -- I've modified my speech
25 because of the new time constraint, but I have some old

1 news and some new business.

2 The old business is an answer to your question to
3 Damon Wing about the amount of ROC credits needed by the
4 company. I have with me a letter dated March 29th, 2007,
5 from Mike Villegas, the head of the Ventura Air Pollution
6 Control District, to the Coastal Commission staff. And
7 there's a lot of different numbers in here, so I'm going
8 to submit it and you guys can look at it. But from what I
9 can determine, they are saying that they need 97.5 tons
10 per year of NOx credits and 40.3 tons per year of ROC
11 credits.

12 It goes on to say that there are possibly 142
13 credits of NOx and 162, but none of them are for sale.

14 And Mr. Villegas concludes that the necessary
15 amount of NOx and ROC ERCs in the Ventura Air Pollution
16 Control District bank are not available for purchase for
17 Cabrillo Port project. So I'll submit that.

18 Hopefully that can answer questions.

19 New business. I googled Australia, largest
20 emitter of greenhouse gases per capita in the world. And
21 I would ask all of you to do that, anybody in the
22 audience, that the answer you'll find is several newspaper
23 articles from last week in Australia where Australia is
24 the largest emitter of greenhouse gases -- per capita in
25 the world of greenhouse gas. And that's primarily because

1 they rely on burning coal for their own electric power.

2 So while they're over here talking to California,
3 which is a country -- or a state that's almost as
4 populated as Australia, they're not doing in their own
5 country what they preach, I think they should maybe look
6 into using natural gas.

7 If I had time I could try to address a couple
8 specific things that I noticed in the EIR because I
9 thought this was what was sort of about to come -- and the
10 EIS.

11 Cumulative Impact Section 4.20, they don't seem
12 to address the cross impacts of the 20 significant Class 1
13 impacts and the 60 other minor impacts. Usually in our
14 local EIRs that I'm involved with usually if you have --
15 according to CEQA, well, if you have two or three
16 significant impacts, then they have to be cumulatively
17 analyzed. I don't think there's a sufficient analyst of
18 all the possible combinations of events and impacts.

19 Thank you.

20 CHAIRPERSON GARAMENDI: Thank you very much.

21 Mr. Stubblefield.

22 MR. STUBBLEFIELD: Commissioner Garamendi, State
23 Lands Commissioners, ladies and gentlemen. Good
24 afternoon. I'm Mike Stubblefield. I'm the Chair of the
25 Los Padres Chapter of the Sierra Club, which represents

1 7,000 members across Ventura and Santa Barbara counties.
2 I have also served as the chapter's air quality chair for
3 over a decade.

4 Back in September of 2004, Southern California
5 Gas and San Diego Gas and Electric, both of which belong
6 to Semptra Energy, asked the California PUC to approve the
7 termination of 1.4 billion cubic feet per day of natural
8 gas contracts with two of the four North American bases
9 that provide natural gas to California. PUC granted
10 Semptra's request, because, they claimed, California just
11 was not consuming all of its allocation.

12 At the time this decision hardly caused a ripple.
13 Yet those of us who recalled the so-called energy crisis
14 that followed deregulation wondered if perhaps our natural
15 gas market was about to be manipulated again.

16 Sure enough, a year later despite an annual
17 increase in natural gas consumption that has hovered
18 somewhere between 0 and 0.7 percent year after year and,
19 according to PG&E, SoCal Gas, and San Diego Gas and
20 Electric at a CEC/CPUC natural gas workshop in December
21 2003, is projected to do so through 2016; and yet, PUC and
22 CEC and Semptra and Billiton would have us believe that we
23 are now on the verge of a natural gas crisis from which we
24 can save ourselves only by importing LNG from 12,000 miles
25 away. Now, suddenly we are so desperate for natural gas

1 that we have no choice but to live with Billiton's
2 dangerous, noisy, smelly, ugly,
3 criteria-pollutant-emitting Cabrillo Port for the next 40
4 years.

5 Cabrillo also has 20 class -- you know,
6 Cabrillo's Class 1 air impacts make the likelihood of
7 Ventura County ever achieving attainment of state or
8 federal standards for ozone levels a virtual
9 impossibility. We have never achieved attainment for
10 ozone in this country. And if this project is approved,
11 in my opinion, we never will.

12 Ozone, which is harmful to the human respiratory
13 system, is a primary cause of asthma, bronchitis, and
14 emphysema, particularly in the young and the elderly.
15 Ground level ozone is produced when you mix oxides of
16 nitrogen with volatile organic compounds and sunlight.
17 Here in southern California we just call it smog.

18 Cabrillo and its 100 LNG tankers a year running
19 their engines while pumping LNG into big tanks on Cabrillo
20 will also pump hundreds of tons of hydrocarbons, carbon
21 monoxide and NOx into the atmosphere every year for the
22 next 40 years.

23 But it gets worse. The Sierra Club estimates
24 that Cabrillo and its 100 tankers will also spew 22.8
25 million metric cubic tons -- metric tons, excuse me, of

1 carbon dioxide into the earth's atmosphere annually as
2 they make their way back and forth on the 14,000-mile
3 round-trip voyage.

4 In the aftermath of the Supreme Court's recent
5 ruling that the EPA must start treating CO2 and other
6 greenhouse gases as a pollutant that can indeed harm human
7 health, it would seem prudent at this point to step back,
8 take a deep breath and ponder the effects of this
9 incomprehensible amount of CO2 on global warming. It
10 can't be good.

11 But even if Billiton's project didn't --

12 CHAIRPERSON GARAMENDI: Mr. Stubblefield --

13 MR. STUBBLEFIELD: I'll wrap it up. This is it.

14 CHAIRPERSON GARAMENDI: Thank you.

15 MR. STUBBLEFIELD: But even if Billiton's project
16 doesn't emit an ounce of CO2, it will still be pumping
17 so-called hot gas into our natural gas pipelines. Hot gas
18 has a much higher percentage of propane than the natural
19 gas we use right now. Not only is it incompatible with
20 our water heaters, dryers, and stoves, it's up to 60 times
21 more effective as a greenhouse gas than CO2. Unfortunately
22 the effects of CO2 and propane have not yet been studied,
23 which means that in addition to all the criteria
24 pollutants it will emit, Cabrillo will also be a
25 greenhouse gas nightmare.

1 So what's the hurry? As the Ventura County Star
2 editorial opined on March 17th, California will not run
3 out of energy by May. I ask you to kill Cabrillo today.

4 CHAIRPERSON GARAMENDI: Thank you.
5 Please.

6 MR. EVERTS: My name is Conner Everts. I'm here
7 today speaking on behalf of Joe Geever, the Southern
8 California Regional Manager of Surfrider Foundation. He
9 actually called me when I was out Kayaking on Point Dume,
10 which would be in sight of this facility. I actually saw
11 a gray whale that day. He's in the hospital and called me
12 before his surgery.

13 He wants you to know that Surfrider Foundation
14 supports the comments of the California Coastal Protection
15 Network and urges you to reject this final EIR impact
16 report.

17 The State Lands Commission, FEIR found that the
18 proposed project would result in over 20 significant
19 impacts that cannot be mitigated, including the project's
20 contribution to air quality violations in L.A. and Ventura
21 counties. Furthermore, the alternatives section was
22 fatally flawed because it does not consider alternative
23 technologies that are currently available that can
24 significantly reduce environmental impacts. For example,
25 other proposed LNG technologies can continue cooling water

1 from power generation with gasification to significantly
2 reduce air emissions. We request that you reject this
3 proposal.

4 Further, a statewide analysis should be conducted
5 to develop a strategic approach to LNG used in California
6 that will minimize environmental impacts.

7 I would like to say briefly for the Southern
8 California Watershed Alliance and the de-sal response
9 group that I work with, after 30 years of doing energy and
10 water efficiency programs, we are not done. This is a
11 bridge to the past. If you bring more supply instead of
12 dealing with the demand-side solutions, we are only
13 industrializing the coast and not solving the problems.

14 Thank you very much.

15 CHAIRPERSON GARAMENDI: Thank you.

16 My fellow Commissioner, Anne Sheehan, has
17 suggested that it's time for a bit of compassion for our
18 court reporter.

19 That doesn't mean you get a massage. But it does
20 mean you get a ten-minute break.

21 Thank you.

22 (Thereupon a recess was taken.)

23 CHAIRPERSON GARAMENDI: Ten minutes having
24 passed, we're ready to roll again.

25 Barbara Macri-Ortiz, you're up next, followed by

1 Innes Willox.

2 Ms. Ortiz?

3 Okay. Mr. Willox.

4 I know how much fun all of you are having. But
5 I'm going to work here.

6 Ms. Ortiz

7 MS. MACRI-ORTIZ: Is that Barbara Macri-Ortiz?

8 CHAIRPERSON GARAMENDI: That would be it.

9 Barbara Macri-Ortiz, you're up.

10 MS. MACRI-ORTIZ: Thank you very much,
11 Commissioners. My name is Barbara Macri-Ortiz. I'm an
12 attorney in town. I've worked for the last about 20 years
13 representing farm workers and minority very low income
14 workers primarily in Oxnard. I live and work in Oxnard.
15 And a couple of things I wanted to bring to your
16 attention.

17 First, I was at a meeting on Friday with
18 Assemblyman Pedro Nava regarding the bond funds. And I
19 discovered that in the Prop 1B funds there's \$1 billion
20 that is committed for port freight air quality. This is
21 money for emissions reductions from activities relating to
22 movement of freight along our trade corridors. And that's
23 port freight. And it seems kind of incongruous that we're
24 putting a billion dollars to clean it up on the one hand
25 and on the other hand putting -- you know, actually

1 offering our shore -- our own state lands to increase our
2 pollution.

3 I want to speak specifically today about the
4 Section 4.19, the environmental justice section of the
5 report. I think this is area of the report is very, very
6 flawed. For one thing, for some reason which I can't
7 figure out, they just talk about Hispanics and they forget
8 to include the rest of minorities in Oxnard. And as you
9 heard from Supervisor Flynn, Oxnard is 80 percent
10 minority -- 80 percent. Sixty-six percent of that is
11 Latinos. The others are Asian Americans and all other
12 minorities.

13 Now, in reading this chart, they try to explain
14 that around the pipeline that there's actually less
15 minority there than throughout the city; and, frankly,
16 it's just ridiculous.

17 Just taking in the map, I mean -- and I work out
18 here. These are my clients. Because the poor are the
19 ones that live out here. So we're not only just talking
20 about minorities but also poor.

21 You know, here we've got four elementary schools
22 there right on the corner. We've got two big mobile home
23 parks, they're virtually all -- a hundred percent farm
24 worker and I'd say 99 percent minority.

25 Going up here there isn't anything. And going in

1 here of course you've got the CYA, which is predominantly
2 minority, unfortunately. And you have Mason Union High
3 School.

4 I don't know how they got their figures. It's
5 definitely flawed. I think from health and safety and
6 every other area, you really need to take a look and say,
7 "What is going to be the impact?" Because if there is
8 going to be any health and safety ramifications of this,
9 it is going to be minority. And that's the reason they're
10 here. You've heard from our legislators in terms of what
11 we have to face here and now you want to put more.

12 Thank you very much.

13 CHAIRPERSON GARAMENDI: Thank you very much.

14 Mr. Willox?

15 MR. WILLOX: Good afternoon, Commissioners. It's
16 a pleasure to be here. My name is Innes Willox. I'm
17 Australia's consul-General to Los Angeles. How are you
18 all?

19 I cover all of the western United States. I'm
20 here today not to talk on behalf of the company but rather
21 to give perspective from the Australian point of view.

22 Australia is a major global producer, user and
23 exporter of natural gas. We find it to be one of the
24 cleanest burning and most environmentally friendly forms
25 of hydrocarbon energy available in the world today. It is

1 not a new technology, nor is it an experimental technology
2 to us, nor it is new or experimental in the United States,
3 which receives natural gas shipments already on the U.S.
4 coast.

5 The decision on the development of BHP Billiton's
6 proposed Cabrillo Port project is of course a matter for
7 California and Californians and Californian law makers.

8 However, I'll just give you a bit of background
9 from Australia's perspective.

10 Most of our natural gas is from the northwest
11 shelf off northern Western Australia. The gas that would
12 be shipped here is from this region, not from the Far
13 East, as some people have said. It would be from northern
14 Western Australia.

15 Fields off the Western Australian shelf produce
16 about 10 percent of the world's export capacity. We have
17 several additional fields soon to come on line. And if
18 all the fields come on line as currently planned,
19 Australia's annual natural gas capacity could be around 50
20 million tons by early next decade.

21 Essentially we would not be producing these
22 fields if there was not a global demand. Our main
23 competitors of natural gas exporters include Algeria, the
24 United Arab Emirates, Nigeria, Qatar, and Trinidad and
25 Tobago.

1 Australia's three existing markets, Japan, South
2 Korea, and China, all receive Australian natural gas to
3 power their industries, homes and increasingly their
4 transportation. Japan is our biggest market, south Korea
5 is next, and then China.

6 We also have potential markets in India and
7 Mexico -- and Mexico, which is attempting to increase its
8 gas imports to meet its growing demand.

9 Australia has proved itself to be a good reliable
10 energy partner. We've not missed a scheduled natural gas
11 shipment since we began exports in 1987. We'd adhere to
12 contracts and agreed prices, even though the global gas
13 price has risen substantially since our contracts were
14 first signed. On deliveries and price, we are as good as
15 our word.

16 I should point out that Australia has itself been
17 a major natural gas consumer for over 35 years. Natural
18 gas is a part of our lives, generating heat for our
19 showers in the morning and powering our homes, industries
20 and public and private transport.

21 There's a massive gas conversion project taking
22 place now in Australia to convert private cars to gas from
23 petrol. Why? Because it's roughly one-third of the
24 price, it's a much cleaner energy source, and has -- and
25 it links to a drastic reduction in greenhouse gas causing

1 pollutants such as carbon dioxide.

2 I'd just like to finish on this note for you.

3 Why Australia? We're a reliable partner which has a lot
4 in common with California. We have the common gold rush.
5 I look outside here and I see eucalyptus trees and gum
6 trees all part of the Californian landscape. They are
7 from Australia.

8 We speak the same language, sort of.

9 (Laughter.)

10 MR. WILLOX: Our troops have fought together in
11 every major conflict since World War I. In fact, American
12 troops first fought in World War I under an Australian
13 commander.

14 Australia gave to the world the black box flood,
15 the core to the heart pacemaker, the ultrasound scanner,
16 aspirin in the -- ear. We've won seven Nobel Peace
17 Prizes. We're the world's sixth longest continuously
18 operating democracy. We and the United States have had a
19 mutual defense treaty since 1951. We're not a third-world
20 country.

21 In conclusion, let me say this: The approval
22 process is a matter for United States state and federal
23 authorities. However, I'd like to assure you that our
24 framework of laws and regulations requires that any
25 company, any company extracting and exporting natural gas

1 from Australia or Australian jurisdictional waters does so
2 in compliance with our world class environmental and
3 operational standards. All companies involved in
4 Australian natural gas exploration and development are
5 required to comply with Australian state and federal laws
6 concerning environmental impacts, ecological
7 sustainability, workplace relations, indigenous and
8 cultural issues, infrastructure development and
9 transportation.

10 Australian-based companies including BHP Billiton
11 have a strong and demonstrable record in environmental
12 responsibility. Australian companies have delivered over
13 2,000 cargoes of LNG without incidence since 1987.

14 I wasn't here for California's rolling blackouts.
15 But everyone I've spoken to since I have been here has
16 said the last thing they want to do from a domestic,
17 commercial, environmental, or political perspective is
18 relive those days.

19 The Australian Government is a longstanding
20 economic and defense partner of the United States. We
21 would like to hope that we too can become a longstanding
22 energy partner of the United States generally, in
23 California especially.

24 Thank you very much.

25 CHAIRPERSON GARAMENDI: Thank you.

1 A couple of questions, if I might.

2 Earlier this morning we had a discussion with the
3 BHP Billiton representatives about the development of the
4 gas field. And it was unclear to me from their responses
5 exactly what the status of that gas field is.

6 I know that it's some 170 miles off shore and
7 it's not yet developed, and that there are some
8 environmental lawsuits concerning that.

9 Could you please clarify, amplify, or otherwise
10 set straight the record.

11 MR. WILLOX: We have several gas fields under
12 development: Browse; Gorgon; Timor Sea, which we caught
13 right in conjunction with the conjunction the Timorese
14 Government. These are all fields that have been
15 discovered sometime ago. There have been explorations
16 take place. And they are currently under development and
17 will be developed -- it's a, if I can put it to you this
18 way, a national development project.

19 And all I can say to you about environmental
20 objection is that in any case, such a system there will
21 often be questions asked. These have to be tested through
22 the courts. The fact is that we are a long-term LNG
23 exporter.

24 CHAIRPERSON GARAMENDI: I'm still not clear.
25 This is a -- I'm told that BHP Billiton and the Shell have

1 a new field to be developed some distance off the
2 northwest coast of Australia.

3 MR. WILLOX: There are a range of fields that
4 open to development at the moment. There's one that
5 Chevron -- Chevron are involved in, Shell is involved in,
6 BHP, Woodside -- a range of companies are developing,
7 sometimes exclusively, sometimes in a combined joint
8 venture for these fields.

9 CHAIRPERSON GARAMENDI: Specifically where is BHP
10 Billiton's field?

11 MR. WILLOX: Where? The ones they're looking
12 at --

13 CHAIRPERSON GARAMENDI: Yes.

14 MR. WILLOX: -- to send gas to this market is, I
15 understand, 170 kilometers off shore, off northern Western
16 Australia.

17 CHAIRPERSON GARAMENDI: Is it a developing field?

18 MR. WILLOX: It's a developing field.

19 CHAIRPERSON GARAMENDI: Has any production taken
20 place there?

21 MR. WILLOX: You'd have to ask the company. I'm
22 not a company representative.

23 CHAIRPERSON GARAMENDI: I see.

24 Well, then I shall ask the company.

25 MR. WILLOX: Certainly.

1 CHAIRPERSON GARAMENDI: Thank you very much.

2 MR. WILLOX: Thank you.

3 CHAIRPERSON GARAMENDI: We're going to continue
4 on our way here. I'd like now to -- Mr. Chung Liu, if
5 you're here, be prepared to testify.

6 And then a series of Chamber of Commerce folks.
7 Mr. Gillespie from the Malibu Chamber of Commerce. Ms.
8 Misewitch from the Port Hueneme. And then Ms. Lindholm
9 from the Oxnard Chamber of Commerce.

10 MR. LIU: You have had my handout.

11 CHAIRPERSON GARAMENDI: I believe we do have your
12 handout. I've been wondering since early this morning
13 where that came from.

14 Mr. Liu, if you will please, sir.

15 MR. LIU: My name is Chung Liu. I'm the Deputy
16 Exec Officer for the South Coast Air Quality Management
17 District; also the chief scientist for the agency.

18 Thereupon an overhead presentation was

19 Presented as follows.)

20 MR. LIU: We'll show the next slide really
21 quickly.

22 --o0o--

23 MR. LIU: This slide provides the air pollution
24 problems facing the South Coast. The right side of the
25 pie chart actually shows very clearly that South Coast

1 even though it only has five percent of the population in
2 the United States, we have 52 percent of the health damage
3 caused by fine particulates.

4 Next slide please.

5 --o0o--

6 MR. LIU: The first bullets indicates that 52
7 percent of burden is proportionately imposed on our
8 residents, translating to 5400 premature deaths every
9 year. I would call this a public health crisis we're
10 facing here.

11 Nitrogen oxide emission we talk about today, the
12 whole day are causing the problem most. It contributes to
13 the fine particulate problems, also the ozone smog
14 formations. And we need a lot of emission reduction to
15 achieve that.

16 We have a lot of problems dealing with the staff
17 response on the BHP major proposal. But I want to
18 concentrate on one other issue here to call to your
19 attention.

20 Next slide please.

21 --o0o--

22 MR. LIU: This chart depicts all the proposed
23 projects bringing LNG to California. As indicated on the
24 bottom, the south -- southern California used 2.5 billion
25 cubic feet per day -- 2.5. The bottom project we're

1 talking about all day long's 1. And this proposed project
2 is .8. Add it together, it's 1.8. Southern California --
3 Central energy's already started process -- started their
4 process. So we know where the gas is going. It's going
5 to southern California, make no doubts about it.

6 Next slide please.

7 --o0o--

8 MR. LIU: The issue we want bring to your
9 attention to -- other people has mentioned this -- that
10 LNG import here has higher BTU contents most the time
11 compared to what we have now from interstate. The chart
12 shows that the hotter the gas, the more NOx emission is.
13 The red line actually shows the state standard -- district
14 standards for this equivalence. And you're getting
15 hotter, our facility cannot meet requirements.

16 Next slide please.

17 --o0o--

18 MR. LIU: There are ways to do it. Choose your
19 fuel very carefully to have a low BTU gas. Or you have to
20 treat a gas or you have to plan a gas.

21 Next slide.

22 --o0o--

23 MR. LIU: I want to skip to the next one and the
24 next one. Come to the next one.

25 --o0o--

1 MR. LIU: The district had proposed a working
2 number of hidden value for respondents of 1360. At this
3 time we think a 1360 would help us to keep our natural gas
4 quality, not causing a problem worse, just stay put.

5 And next slide please.

6 --o0o--

7 MR. LIU: The Lieutenant Governor keep on asking
8 where the sources are coming from, this company's. The
9 parent company of applicants have an exclusive right on
10 the Scarborough -- which have very good quality. They
11 just don't want to commit to it because they want to have
12 the flexibility to bring natural gas from anywhere else.
13 And we just don't think that's fair, because we want to
14 keep the natural gas quality as good as what we can do
15 here because we need additional reduction here.

16 So I just come conclusion here that we really --
17 next slide please --

18 --o0o--

19 MR. LIU: -- that we really want the Commission
20 to consider to mitigate this hot gas issue by imposing a
21 1360 working number on the gas so we can keep the natural
22 gas quality as we have now and not getting worse.

23 I'd be glad to answer any questions. Thank you
24 for your indulgence for giving me a little bit more time.
25 We still -- we may have concern on the mitigation measures

1 at this time.

2 CHAIRPERSON GARAMENDI: Go back to the previous
3 slide, the one before the recommendation.

4 MR. LIU: Yes.

5 That's it.

6 CHAIRPERSON GARAMENDI: Go ahead.

7 COMMISSIONER CHIANG: Mr. Liu, your expertise is
8 central to my decision-making process.

9 Can you tell me the impact of this project
10 specifically on the southern California basin and its air
11 quality and our ability to reach attainment? And then if
12 you -- to the extent that you have the knowledge as it
13 applies to Ventura County, if you can elaborate in that
14 area.

15 MR. LIU: I want to concentration on our basin of
16 course. We need 31 percent emission reduction -- we know
17 how to do at this time for NOx.

18 COMMISSIONER CHIANG: For NOx?

19 MR. LIU: Yes.

20 COMMISSIONER CHIANG: How about ROC?

21 MR. LIU: ROC we need about 20 percent or so.
22 But this is just for the fine particulates. For ozone, we
23 need a lot of more. And the Federal Clean Air Act should
24 give us a leeway to have designed long-term control
25 strategies. And we really have a lot of emission

1 reduction we need and we don't know how to do it. Not
2 only we don't know how to do it. The State Air Resources
3 Board doesn't need -- we work very hard to come to every
4 tons that we have.

5 Projects like this is not even in our baseline,
6 because we assume any of those kind of projects that have
7 to mitigate not have a net increase. And this project is
8 increasing the emission for our basin's concern. I just
9 want to give you a clear statement.

10 Even the source is located one mile out of water,
11 which by design is to really -- kind of a get-away-from
12 regulation, because we have a much higher offset ratio
13 than Ventura County.

14 But even at this time we believe the emissions
15 from Ventura County is going to all end up in basin, even
16 go over land or go over waters.

17 So not to mitigate in our area is a concern.

18 The tugboat project we've been told is statewide,
19 up and down. And emissions is close by. I don't know how
20 that's going to be mitigated. Maybe the state think they
21 can mitigate statewide.

22 But to us, we have a crisis here we cannot
23 afford.

24 COMMISSIONER CHIANG: Is there a difference in
25 the impact in terms of ROC and NOx? Because they said

1 they don't need to mitigate NOx. I'm looking at the
2 numbers. And, you know, the big caveat is they haven't
3 been able to mitigate ROC according to what I can tell.

4 MR. LIU: We are short on both NOx and ROC. ROC
5 and NOx are the building blocks for ozone. And to some
6 extent both contribute to our fine particulates,
7 especially NOx.

8 COMMISSIONER CHIANG: And then is there any way
9 to quantify the harm that occurs in a community by
10 this -- well, I don't -- I don't have the scientific and
11 technical expertise. So it's 5400 deaths that occur. I
12 mean what type of particulate penetration do you need to
13 have and how does it affect the public health?

14 MR. LIU: We have a wide basin, large area, a lot
15 of emission sources. If you do impact analysis by using
16 photochemical aerosol models, any specialty sources are
17 very, very small. But together that causes huge problems
18 here.

19 I also want to give you just a sense of
20 emissions. Our estimation because of the hot gas issue
21 along, the emission of NOx from this project almost equal
22 to all the powerplants generating NOx in our basin.
23 They're just standing. We control very tight. If you
24 wanted to do anything like this to increase our emissions,
25 you're going to make our job really difficult.

1 COMMISSIONER CHIANG: Would you repeat that
2 again. If I understood you clearly, this project alone
3 would be equivalent to the emissions from all current
4 operating powerplants in the southern California basin, or
5 what basin?

6 MR. LIU: In our area, in-basin generation, the
7 current natural gas --

8 COMMISSIONER CHIANG: Sorry for interjecting.
9 Can you -- for my edification, how do you define what's
10 included in that basin?

11 MR. LIU: Our district's composed of four
12 counties area, most urbanized area: The entire Orange
13 County, urbanized area of Los Angeles County, San
14 Bernardino and Riverside counties.

15 COMMISSIONER CHIANG: And how many powerplants is
16 that?

17 MR. LIU: There are -- powerplant units, totally
18 about close to 30 -- 20 something, 30. I don't have the
19 exact number, but I can provide that.

20 COMMISSIONER CHIANG: Okay. And what remediation
21 efforts do you have taking place with those powerplants?

22 MR. LIU: Those have the so-called best available
23 control technologies. All the units have been modernized
24 in the past five years. They all have what we call SCR,
25 selective catalytic reduction -- reductions. That's why

1 they are so clean. A project like this, it just -- just
2 give you an example that it's significant to us.

3 COMMISSIONER CHIANG: Is this project using all
4 the best available technology available?

5 MR. LIU: Not to my understanding.

6 COMMISSIONER CHIANG: Where do you find it
7 materially deficient?

8 MR. LIU: For example, the top tugboats which
9 were talked about this morning to make up the last
10 shortfall, that they account 40 years credit of the state
11 fund tugboats. Our district has funded close to 200
12 vessels -- marine even vessels in the past five years.
13 And we know we take only three-year credits. For Carl
14 Moyer fund, which is still funding projects like this,
15 takes seven-years credits.

16 I want to also offer to you the calculation was
17 based on 16 standards.

18 Last month, the U.S. EPA just promulgated draft
19 rules for marine vessels, which would take effect next few
20 years. So calculate based on existing requirements and
21 taking credits for 40 years. I guess it's all in the
22 footing of how do you implement in that four-star
23 combination documents, which I don't see that.

24 COMMISSIONER CHIANG: Mr. Liu, see if I could
25 follow your standing again.

1 So the newly promulgated rules by the federal EPA
2 would provide for what? And how are they different than
3 what currently exists?

4 MR. LIU: It's not a promulgated -- a promulgated
5 draft for rule making. But they have a schedule for the
6 next few years, different sites, different type vessels
7 will come in play.

8 But once the regulation's there, the credits to
9 our calculation for all these incentive programs we
10 manage, that has to come down also. You cannot assume
11 right now based on existing regulation.

12 COMMISSIONER CHIANG: Well, so for my
13 information, so is the EPA increasing standards which
14 would require additional credits on top of what we have
15 now or are they reducing standards?

16 MR. LIU: It's as not it would require additional
17 credits. Indirectly, yes, because the standard's getting
18 tight, so you cannot take as much credits this year
19 compared to maybe three years later.

20 COMMISSIONER CHIANG: Okay. Thank you very much.

21 CHAIRPERSON GARAMENDI: Question about the two
22 air quality basins, the Ventura and the South Coast. Now,
23 this project is located, you said, one mile north of the
24 northern boundary of the South Coast Air Basin, correct?

25 MR. LIU: I'm saying, yes, in the water.

1 CHAIRPERSON GARAMENDI: In the water, understood,
2 off the coast.

3 Now, Ventura we're told has credits available
4 that would offset the NOx emissions. We were told that
5 earlier today.

6 What does that mean to the South Coast, if
7 anything at all?

8 MR. LIU: You would really have to see where they
9 come from. Let's say, it goes to the tugboats, they
10 generate emissions south and all the way to San Diego.
11 And what the impact of this project, it's just adjusting
12 to us. I don't think you can comment just on the total.
13 You have to look at the locations.

14 CHAIRPERSON GARAMENDI: So the wind blows west --
15 blows from the west into the South Coast Basin?

16 MR. LIU: Unfortunately all the prevailing wind
17 for the past hundreds of years, they go to our area. It
18 is land goes to San Fernando Valley, plus the water goes
19 to the Long Beach and just to the mountain area.

20 CHAIRPERSON GARAMENDI: So the effect of this
21 project, even though it may have obtained offsets for
22 Ventura County, makes it worse for the South Coast Basin?

23 MR. LIU: I comment -- only answer, if the source
24 moves just one mile in our areas, we'll go in there and
25 require higher ERC offset. We have much higher regional

1 because we -- our air quality is much more severe. So
2 we're going to require a lot more emission reduction. And
3 so if it's not -- since it's not just by that technicality
4 of one mile, we lost chance to really offset that.

5 CHAIRPERSON GARAMENDI: And, therefore, the
6 project has an adverse effect?

7 MR. LIU: I believe so.

8 CHAIRPERSON GARAMENDI: Thank you.

9 COMMISSIONER CHIANG: Let me ask you -- follow
10 along on your line of questioning, John.

11 Your last answer was "I believe so." Can you
12 explain so that I better understand the nonattainment in
13 the southern California basin. You know, do you see a
14 certain concentration in certain areas in the basin? And
15 if you've done the modeling based on the different
16 scenarios that would take place if this project was
17 approved, what do you envision occurring to the southern
18 California basin and then pragmatically what the effects
19 are?

20 MR. LIU: Mathematically, like what I said
21 before, it's very difficult to quantify each individual
22 project in this kind of a reactive modeling, because this
23 is really a nonlinear process. So what we did is
24 aggregate all the emissions. For a lot of control
25 measures we know how to do it, since the emission

1 reduction requirements. That's why we calculate. And we
2 need a 31-percent emission reductions. And this is not
3 even accounted at 31 percent.

4 COMMISSIONER CHIANG: Okay. Going back to the
5 first part of that question.

6 Can you explain the nonattainment in the
7 California basin? Is it --

8 MR. LIU: We are extremely -- I'm sorry.

9 COMMISSIONER CHIANG: And tell me if my approach
10 is not entirely accurate. Do we see more NOx in an area
11 or more ROC in an area? Or across the basin is it the
12 same? And how is it -- if it is different, how is it
13 different than other nonattainment areas in the U.S. or
14 the other -- what makes Los Angeles or southern California
15 special?

16 MR. LIU: We have the highest concentration
17 nationwide. We're not proud of it. We made a lot of
18 improvement. Air quality getting better. But we still
19 have the worst air quality of both ozone and PM.

20 In terms of emissions, they are very homogeneous
21 distributed by species, NOx and hydrocarbons, and where a
22 majority are related to mobile sources. But it's very
23 clear the coastal are the source areas, the inland are
24 the -- area.

25 CHAIRPERSON GARAMENDI: Anne.

1 Are you finished, John.

2 COMMISSIONER CHIANG: What's its relationship to
3 the project? What's the PM?

4 MR. LIU: PM is particulate matter. And what
5 we're concerned -- there's -- there's a standard for
6 PM2.5, is fine particulates with diameter less than 2.5
7 microns. Really tiny particles. The human hair on meter
8 are like a 7. Okay. Those are the federal standards. We
9 are violating that big time. We're the highest
10 concentration.

11 NOx emissions in the -- they can form --
12 transform into nitrates, become particles. And most are
13 those fine particles. Nitrate is probably the single
14 largest piece of pie for PM2.5 from --

15 COMMISSIONER CHIANG: So that in this project
16 they remediated and used the best available technology.
17 They -- would we still see as significant an impact or --
18 I mean is there any way to remediate with Cabrillo?

19 MR. LIU: The way I understand, the time and
20 place and really the enforcement stringency, all the
21 factors has been placed into it. But what I see now is
22 not adequate mitigatively.

23 COMMISSIONER CHIANG: Okay. And then how
24 significant is the Scarborough LNG in terms of PM in terms
25 of the NOx and ROC, you know, having below the index?

1 MR. LIU: This field is, what I'd say,
2 exclusively controlled by BHP Billiton. And we have
3 talked to them in the past two or three years on this
4 project. They indicated to us that gas quality there
5 produced from that is almost 99 percent methane. And that
6 should be able to meet with our requirements. Not, again,
7 our best quality or the worst. But this EIR, it didn't
8 require that.

9 And the staff response, they just say, "Because
10 we don't know where it's come from, we don't know where
11 it's going, we don't know if it's coming to South Coast
12 Air Basin or not" -- I can tell you it's coming to us.
13 There's just no doubt. There's no other people -- no
14 other place has more demand than us. And it's to replace
15 interstate gas that we have at this time.

16 So we really want -- this company probably has
17 the best chance to meet the requirements compared to all
18 the other LNG proposals. And we welcome them to come into
19 it if they can help us to do that.

20 COMMISSIONER CHIANG: Another comment you made at
21 the outset of your presentation, you said there is no
22 doubt that the gas is coming to southern California.

23 Can you give me the foundational interpretation
24 for that statement?

25 MR. LIU: Can we go back to the table on page two

1 really fast.

2 Go back one more.

3 As you can see, southern California has a 2.5
4 cubic -- billion cubic feet per day demand, which in the
5 past few years has actually come down a little bit. The
6 Sempra Shell Baja project that deliver one, that means we
7 replace one of the 2.5 billion cubic feet right now we're
8 receiving from out of state through the El Paso lines.

9 And this project is .8. And Sempra is going to
10 propose expand the project. They already started to talk
11 to us. Just a sheer quantity, 1.8, this project plus
12 what's going on be operation first quarter next year in
13 Baja, 1.8 of a 2.5. Who else in southern California
14 except our basin have that kind of demand? It's going to
15 come to us.

16 COMMISSIONER CHIANG: Okay. I'm not clear. You
17 said demands 2.5. They're going to bump the 1.8?

18 MR. LIU: No, they're going to replace 2.5.

19 COMMISSIONER CHIANG: They're going to replaces.

20 Okay. So how do we know all of that's coming
21 into southern California? And that's still the length
22 that I haven't established.

23 MR. LIU: What I'm trying to say is that I don't
24 see anybody can take that 1.8 out of that. The gas is --
25 to our understanding, is the same as crude oil. It's

1 treated in commodity markets. You don't see actually gas
2 going to East Coast from here unless the total replacement
3 is done.

4 So they can treat it for the gas -- the physical
5 gas in the pipeline. It's going to become soon here.

6 COMMISSIONER CHIANG: Okay. And then I wasn't
7 quite clear. So what's the practical effect of the PMs?
8 I mean as a person who just doesn't -- is an Angelino,
9 tell me practically how PM impacts my health, how it
10 impacts my neighbor's health.

11 MR. LIU: The PM, we're talking about PM2.5, is
12 so fine, it can really penetrate your lung defenses and
13 large strippling to your lungs. That's where most of the
14 problem coming here.

15 The number I've quoted here that we have 5400
16 additional premature deaths, definition of that is really
17 the life span is shortened by 14 years of either -- and
18 those are children, those are our senior citizens. And so
19 we're really -- this to us at AQMD is really a public
20 health crisis we're facing.

21 COMMISSIONER CHIANG: How about impacts less
22 severe than death? I used to serve on the advisory
23 council of the American Lung Association of Los Angeles.
24 How about -- they talk about kids in Los Angeles having
25 reduced lung capacity. Is this part of this?

1 MR. LIU: The children health study conducted by
2 the State Air Resources Board and U.S. EPA actually
3 indicate there are seven to nine percent reduction in lung
4 capacity in kids growing up in our areas -- in some of the
5 really polluted areas. And most recent study even tied to
6 a lot of the other health impacts and we really have more
7 and more concern.

8 But this fine particulate premature death
9 estimate is really -- something that really concerns us.
10 We really try to push as much reduction as we can.

11 COMMISSIONER CHIANG: Thank you. I've concluded
12 my questions.

13 CHAIRPERSON GARAMENDI: Thank you very much.

14 MR. LIU: Thank you.

15 I note that presence of a legislator.

16 And according to our rules, Julia, you have the
17 next opportunity.

18 ASSEMBLYMEMBER BROWNLEY: Thank you very much.
19 And good afternoon to all of you. I'm Julia Brownley and
20 I represent the 41st Assembly District and very proud to
21 be here to stand with my constituents in south Oxnard and
22 Malibu in strong opposition to the Cabrillo Port
23 application.

24 (Applause.)

25 ASSEMBLYMEMBER BROWNLEY: The stated

1 justification --

2 CHAIRPERSON GARAMENDI: Excuse me. That one was
3 for you.

4 (Laughter.)

5 ASSEMBLYMEMBER BROWNLEY: Thank you.

6 CHAIRPERSON GARAMENDI: And it's not going to
7 happen again, right?

8 ASSEMBLYMEMBER BROWNLEY: All right.

9 (Laughter.)

10 ASSEMBLYMEMBER BROWNLEY: The Stated
11 justification for this project is that California needs
12 their LNG. BHP Billiton stands virtually alone in making
13 such a claim. The California Energy Commission's
14 estimates in the EIR/EIS is that California's demand for
15 all natural gas may grow by a minuscule .7 percent
16 annually. As recently as yesterday, Loretta Lynch, the
17 former President of the California Public Utilities
18 Commission, said that there is an ample supply of natural
19 gas available from the United States and Canadian sources
20 for the next 40 to 50 years. We should be conserving and
21 planning our future in environmentally sensitive and
22 sustainable ways, not increasing our reliance on more
23 imported fossil fuels.

24 The environmental review tells the real story.
25 This novel and totally untested technology is fraught with

1 risk: Twenty identified impacts in the final
2 environmental documents which will remain even after
3 mitigation measures are applied.

4 I am concerned with the consequences of worst
5 credible events from the platforms such as pool fires or
6 vapor cloud fires that extend well into the shipping
7 lanes, interfering with critical operations of the United
8 States Navy and the Port of Hueneme.

9 I'm concerned that the EIS/EIR minimizes the
10 likelihood of the worst credible scenario, given that my
11 constituents will be the objects of the Cabrillo Port
12 experiment. I'm concerned about the potential public
13 safety impacts from a high energy marine collision or
14 damage to sub-sea pipelines, to say nothing of the water
15 quality impacts from any spill or release.

16 The mere fact that this project would become the
17 number 1 contributor of smog-producing pollution in
18 Ventura County is reason enough to say no.

19 Twenty class impacts that cannot be mitigated to
20 less than significant levels is simply unacceptable and
21 far exceeds what can reasonably qualify for a statement of
22 overriding considerations.

23 The EIR should not be certified. This high risk
24 project must be rejected. I respectfully, but most
25 strenuously, urge you to vote no tonight.

1 Thank you for caring for the health and welfare
2 of the good people of the 41st Assembly District.

3 Thank you.

4 CHAIRPERSON GARAMENDI: Thank you.

5 That's good when you get your applause before you
6 speak.

7 (Laughter.)

8 (Applause.)

9 CHAIRPERSON GARAMENDI: That was not an
10 invitation, please. Don't let me break my own rules.

11 Thank you very much.

12 ASSEMBLYMEMBER BROWNLEY: Thank you very much.

13 CHAIRPERSON GARAMENDI: We're going to go back to
14 pick up these Chambers of Commerce.

15 So, Mr. Gillespie you're up first.

16 MR. GILLESPIE: Thank you very much, Mr.
17 Garamendi.

18 CHAIRPERSON GARAMENDI: And we're going back to
19 one and a half minutes.

20 MR. GILLESPIE: Okay. I have a handout with the
21 question mark at the top, if everyone has that.

22 CHAIRPERSON GARAMENDI: We do have that. Thank
23 you.

24 MR. GILLESPIE: My name's Ed Gillespie. I'm the
25 President of the Malibu Chamber of Commerce. And for 30

1 years I've been sailing these waters. And many times I've
2 had to reef my sails because I'm in 45 miles an hour of
3 wind.

4 Now, what I'd like to make my observation on --
5 and you have the handout -- is the worst case scenario for
6 a pool fire is 4.5 miles an hour of wind. When this was
7 addressed by the Sandia report, they said increasing --
8 increased wind is an opportunity for research. Now, being
9 a sailor, increased wind means a lot to me. And this pool
10 fire, they have -- if you go to 3A and 3B in your handout,
11 they've got this pool fire with 4.5 miles an hour wind
12 going two miles and it's half a mile wide. And this is a
13 partial spill from one tank.

14 Now, I want to know, and I think everybody should
15 want to know on this EIR, if I'm out there sailing and
16 there's 45 mile an hour winds and this spill happens, is
17 it going to go 20 miles, is it going to go ten times that
18 far? Now, according to the GAO report, this wind is going
19 to push this pool fire. And ahead of that pool fire, like
20 a flame on a candle, it's going to proceed with the heat.
21 And this is from -- this heat is hotter than any gas fire.
22 This heat is going to precede it. As it goes ashore, it's
23 going to go through your ATA, it's going to go into your
24 shipping lanes. And hopefully it won't go ashore, but I
25 think it may. And I don't think we can wait for this to

1 happen before we decide what's going to happen.

2 Thank you very much.

3 CHAIRPERSON GARAMENDI: Thank you.

4 (Applause.)

5 CHAIRPERSON GARAMENDI: Folks, please.

6 Apparently some of you are new. Those of you
7 that are new, you may not have heard the instructions. We
8 will have no disruptions. And about this, I'm very
9 serious. I let you get by with your Assemblywoman, fine.

10 Any more clapping, any more demonstrations and
11 you are out of here. Okay?

12 You just take time and you won't be heard and
13 you'll be outside this building. Do we understand?

14 Did I hear somebody say no? I'll repeat it.
15 There is no demonstration in this building. That's it. I
16 find a demonstrator in this building, I mean clapping,
17 cheering, whistling or anything else, you're out the back
18 door. That's that.

19 Thank you, Mr. Gillespie.

20 MR. GILLESPIE: Thank you.

21 CHAIRPERSON GARAMENDI: Let's move on.

22 Please.

23 MS. MISEWITCH: Hello, members of the commission.
24 Thank you for the opportunity to speak to you about
25 Cabrillo Port. My name is Kathleen Misewitch and I'm the

1 President and CEO of the Port Hueneme Chamber of Commerce.
2 We support the Cabrillo Port.

3 Port Hueneme Chamber of Commerce is dedicated to
4 the business community. We represent 153 businesses and
5 over 1200 jobs that rely upon our regular support of clean
6 burning and efficient natural gas. We are home to the
7 Port of Hueneme, that generates more than \$550 million in
8 economic activity in Ventura County as well as 4,000
9 direct and indirect jobs.

10 We have hundreds of employees who make these
11 businesses a success. And we very much value those people
12 and want them to be able to live and work in this
13 community.

14 California should make every effort to ensure
15 reliable supplies of clean energy. Both the California
16 Public Utilities Commission and the California Energy
17 Commission cite the need for more natural gas and mainly
18 LNG to help meet California's growing energy demands.

19 Cabrillo Port will increase availability of
20 reliable energy sources, which is critical to the
21 continued success of the business community in Ventura
22 County as well as throughout California.

23 We encourage the State Lands Commission to grant
24 the necessary permits to BHP Billiton so the business
25 community and residential Ventura County can have a

1 reliable source of natural gas in the near future.

2 Thank you for your time.

3 CHAIRPERSON GARAMENDI: Thank you.

4 Ms. Lindholm.

5 MS. LINDHOLM: Good afternoon. Nancy Lindholm,

6 President and CEO of the Oxnard Chamber of commerce.

7 The Oxnard Chamber of Commerce strongly supports

8 the Cabrillo Port project proposed by BHP Billiton.

9 We've been studying this project since the
10 original draft EIR/EIS was released in 2004. The Oxnard
11 Chambers of Commerce believes the following:

12 BHP Billiton is a responsible corporate supplier
13 of energy solutions for California's growing population
14 and its economy.

15 The availability of reliable energy sources is
16 critical to the continued success of the business
17 community locally as well as throughout the state and
18 country.

19 Energy costs represent an increasing expense to
20 the business community, particularly agriculture,
21 manufacturing, and other energy reliant companies. BHP
22 Billiton has incorporated extensive air quality mitigation
23 measures into the project.

24 As stated in the EIR, the California Energy
25 Commission has recommended that California secure and

1 diversify its sources of natural gas to ensure a
2 sufficient and reliable supply of natural gas.

3 So I ask you today, if not now, when? If not off
4 shore, then where?

5 The Oxnard Chamber of Commerce urges the
6 Commission to approve the lease application and move this
7 project forward.

8 Thank you for your time and thank you for
9 listening.

10 CHAIRPERSON GARAMENDI: Thank you very much.

11 I'll call up our next five participants and then
12 we'll move to some elected officials.

13 Jeff Ketelsen, Ojai Valley Municipal Council;
14 David Gottlieb; Pierce Brosnan, Keely Brosnan.

15 I assume you want to testify. So if so, the
16 chairs are over there.

17 And, Mr. Ketelsen, you're first.

18 Apparently he is not here, so we'll go to Mr.
19 Gottlieb.

20 MS. GOTTLIEB: Mr. Chairman, Commissioners. My
21 name is David Gottlieb. I've been on the Board of
22 Directors of the Resource Conservation District of the
23 Santa Monica Mountains for 26 years. I am also the
24 President of the South Coast Region of Resource
25 Conservation Districts. I am also on the Board of

1 Directors of the California Association of Resource
2 Conservation Districts. And I wanted to address today
3 some of the inadequacies of analysis in the EIR.

4 We deal a lot with watershed issues. And in
5 doing that we've done a lot of watershed studies, mostly
6 in conjunction with the Natural Resource Conversation
7 Service, which is a service of the USDA.

8 One of the more famous watershed studies was the
9 Chesapeake Bay watershed study, one of the biggest in the
10 United States. And that was about a quarter of a century
11 ago. And one of the findings was rather shocking. They
12 discovered that 25 percent -- I'm sorry, it was actually
13 more than a third -- so it was 33 1/3 percent of the
14 pollution -- the water pollution in the Chesapeake Bay as
15 it affects the fisheries and the basic water quality was
16 from air deposition. And what that means is it comes from
17 the air pollution goes up and lands on the water.

18 I have not seen any of that element addressed in
19 the EIR. The EIR is over-compartmentalized. And so
20 there's very little of attaching the dots. And I find
21 that a problem. I also find it a problem, for instance,
22 when we're talking about air pollution, that we're not
23 talking about the effect on marine mammals. What is the
24 effect -- the health effect on marine mammals from air
25 pollution?

1 I think that there's a lot of improvements that
2 need to be done on the EIR to show an overall picture of
3 what the environmental situation is.

4 Thank you.

5 CHAIRPERSON GARAMENDI: Thank you very much, Mr.
6 Gottlieb.

7 Mr. Brosnan.

8 MR. BROSAN: Good afternoon, ladies and
9 gentlemen.

10 I'd like to read a letter here from Jean Michel
11 Cousteau, who is the Founder and President of the Ocean
12 Future Society.

13 "Members of the State Lands
14 Commission: Thank you for the
15 opportunity to address you today on this
16 important and precedent-setting issue.

17 "You are in a unique position to set
18 precedent and establish a standard on
19 the world stage as leaders and
20 innovators. By denying the license to
21 the BHP Billiton LNG project, the
22 Commission can declare that the people
23 of California are committed to energy
24 solutions that do not pollute the air
25 with noxious and harmful gases.

1 "Do not add greenhouse gases to a
2 warming atmosphere. Do not put
3 magnificent and already endangered
4 whales, dolphins, seals and sea lions at
5 risk from noise and shipping traffic.
6 And do not interfere with the natural
7 and necessary patterns of life for
8 millions of sea birds and fish.

9 "By denying the license for this
10 off-shore LNG platform, the Commission
11 can wisely follow the recommendations to
12 reject this project by the California
13 Coastal Commission, whose creation over
14 40 years ago was a bold and innovative
15 declaration in favor of public
16 protection over unnecessary development.

17 "By rejecting this application, the
18 Commission can set a new standard which
19 the world sorely requires, that
20 acceptable alternatives to energy needs
21 can and must be found through locally
22 appropriate solutions and through
23 conservation. Effective solutions to
24 energy consumption already exist that do
25 not require a platform three football

1 fields long anchored off shore.

2 "A report just released by the
3 Inter-Governmental Panel on Climate
4 Change, the United Nations network of
5 2,000 scientists, reports that the
6 continued release of greenhouse gases
7 puts at risk one-third of the world's
8 species and millions, possibly billions
9 of human lives. It is a time when every
10 decision, including the one before you
11 on this massive greenhouse gas LNG
12 project, counts and there is no time to
13 lose in setting this precedent by
14 denying this proposed project.

15 "The BHP Billiton LNG project is the
16 wrong approach at the wrong time and in
17 the wrong place. It is, however, the
18 right time for the Commission to make
19 the right decision.

20 "Thank you.

21 "Respectfully submitted, Jean Michel
22 Cousteau."

23 And I as a working man and a father of small
24 children stand before you today, a day such as this, which
25 is a David and Goliath day in the history books, beg you

1 and urge you to listen to the hearts of the people and to
2 oppose this massive mining company, BHP Billiton.

3 Thank you.

4 CHAIRPERSON GARAMENDI: Thank you, Mr. Brosnan.

5 Ms. Brosnan.

6 MS. BROSNAN: Good afternoon, Commissioners.

7 Thank you for your time today. My name is Keely Brosnan
8 and I'm a resident of Malibu.

9 As a former environmental journalist I have spent
10 a considerable amount of time over the last 18 months
11 researching BHP's LNG project, and I am seriously
12 concerned about the impacts the proposed terminal will
13 have on the health, safety and welfare of our communities
14 and, in particular, our air quality.

15 Although BHP maintains that this project will
16 have little environmental impact, everything I've read,
17 including the EIR report, is contrary to their position.
18 And I know why. They stand to make billions.

19 The terminal, which has curiously been cited in
20 National Park, would threaten migrating whales and other
21 marine life, as well as coastal wetlands and sea birds, as
22 it spews tons of smog pollutants on our coast each year.

23 In an attempt to relieve BHP Billiton of their
24 responsibility of having to comply with county and state
25 air emission laws, the EPA has found a loophole in the

1 1994 air quality management plan for Ventura County, which
2 exempted the United States Navy from using best available
3 control technology on its diesel generators at San
4 Nicholas Island. This outrageous decision by the EPA
5 amounts to a very generous gift to EPA -- I mean from EPA
6 to BHP. And it is at the expense of our communities and
7 our children.

8 In short, whatever emissions are produced by
9 Cabrillo Port will end up in Ventura County and in Los
10 Angeles County because of the general on-shore wind flow
11 patterns. Unfortunately, these are emissions that neither
12 county can afford to deal with, especially if you consider
13 the high rate of asthma, over 10 percent in both children
14 and adults who reside there.

15 The question is why the EPA has offered this
16 unjustified and illegal exemption to the Clean Air Act to
17 benefit BHP Billiton and their project.

18 California's first priority must be to reduce our
19 reliance on fossil fuels, to break our addiction on
20 foreign oil as we transition toward renewable energy.

21 Commissioners, I respectfully urge you not to
22 approve this project, which will leave an indelible
23 environmental imprint on southern California and saddle us
24 with a dangerous, dirty and outdated industrial LNG plant
25 that will be a step backward and not forward for our

1 state.

2 Thank you.

3 CHAIRPERSON GARAMENDI: Thank you very much.

4 We are going to move now to elected officials, as
5 has been our practice. And a change in the previous
6 practice, you're limited to a minute and a half. It is
7 the intention of this Commission to complete our work
8 today, to take a vote on the project. And I suspect most
9 of you would like to see us do that.

10 If I take the 150 people that remain to be --
11 that would like to speak, chances are that we would not
12 complete our work today. And that would be against our
13 own intentions as Commissioners.

14 So, if you have heard other people speak your
15 piece, then keep your peace. I think if you'd be so kind
16 that you do that, it would allow us to move towards a
17 conclusion today.

18 Okay. Here we go. Ventura County Board of
19 Supervisor Steve Bennett; Tom Holden, Mayor, City of
20 Oxnard -- Steve, you only get to speak once -- Rick
21 Miller, Oxnard School District; Dr. DeVries, Oxnard School
22 District.

23 Sir, please.

24 MR. BENNETT: Ladies and gentlemen. Thank you
25 very much for this opportunity and your patience. Many

1 things have been said. I can easily keep my comments
2 under ninety seconds even though I had two speaker cards.
3 I was hoping maybe I could get task done.

4 There's just one point that has not been
5 emphasized much today, and that --

6 COMMISSIONER CHIANG: I'm sorry. For my
7 education, could you introduce yourself for the record.

8 MR. BENNETT: I'm sorry. Steve Bennett, Ventura
9 County Supervisor, 1st District.

10 And one thing that has not been emphasized much
11 today for you -- I sit on both the Ventura County Board of
12 Supervisors and our air pollution control district. And
13 this project has been exempt from our Rule 26, which is
14 our new source review rule. And it is a decision that we
15 think is just a completely inappropriate and unfair
16 decision.

17 If you in the exact same site were going to put
18 an oil and gas platform, they would have to comply with
19 our rule 26 guidelines here in Ventura County. And this
20 project has just been inappropriately and unfairly
21 accepted. And I think that by itself is a significant
22 issue.

23 In addition to that, if they were not exempt, our
24 air pollution control district then would be able to
25 assist in enforcement of the air quality issues that are

1 going to be hotly debated in terms of mitigation.

2 Thank you very much for your time.

3 CHAIRPERSON GARAMENDI: Thank you very much.

4 OXNARD MAYOR HOLDEN: Mr. Chair, commissioners.

5 Good afternoon. Thank you for taking the time to be here
6 in Oxnard. I have to tell you that I spent the morning
7 being treated for back spasms as a result of shagging fly
8 balls for my three boys practicing little league. So if I
9 gasp, it's nothing to do with this presentation.

10 (Laughter.)

11 I want to just give you a little background about
12 myself. My family came to Oxnard in 1906. I have three
13 young boys. And I'm extremely proud to be the Mayor of
14 Oxnard. And I would say that this is one of those
15 defining moments for our community.

16 This is about a community, this is about an
17 extremely proud community. We're hardworking individuals
18 here in the City of Oxnard. And Oxnard embraces
19 everything about our community.

20 And I think it's important to say a little bit
21 about what we've done in the past. We've accommodated
22 three major landfills. We continue to accommodate two
23 energy-producing plants. We have accommodated a regional
24 material transfer station and a site soon to be put on the
25 cleanup fund.

1 And this is an exciting time for the City of
2 Oxnard. Our community has come together to take on things
3 like youth violence, clean up our neighborhoods, make
4 every neighborhood proud of who they are and what they're
5 doing here in the community.

6 But we're being asked to take on this LNG
7 facility. And we're here to say enough is enough.

8 We've been good neighbors to the county, we've
9 been good neighbors to the state. And now it's time for
10 us to move on and turn this project down.

11 Our children, my children, your children, our
12 grandchildren, this is about creating a community for
13 them.

14 And in closing what I'd like to say is that I'm
15 confident that you will provide the leadership to make the
16 decision that will benefit the community of Oxnard by
17 turning this project down. I'm also confident that
18 although you will leave here today and go to your
19 respective communities and your families and your
20 grandchildren, you will continue to look at this project
21 as if it was in your backyard.

22 So thank you very much.

23 CHAIRPERSON GARAMENDI: Thank you very much,
24 Mayor.

25 Let's see. Please. I've shuffled the cards.

1 I'm not sure which of you is next. But help yourself.

2 Just introduce yourself.

3 DR. MILLER: Well, I'm Dr. Rick Miller. And it's
4 nice to be here this afternoon. Thank you for the time.

5 I have with me two of my board members. I'm the
6 Superintendent of the Oxnard School District. We have
7 about 15,000 students as well as obviously a number of
8 families that we represent.

9 We looked at this issue over a year ago and, in
10 fact, held a public hearing November of 2005; and at that
11 time had presentations from representatives of BHP
12 Billiton as well as California State Department of
13 Education and as well as the Environmental Defense Center.

14 Subsequent to that time our board in fact did
15 adopt a resolution of opposition to this particular
16 proposal. And I brought that with me today, if I can
17 leave that for your distribution

18 And with that there was also a mailing list.
19 And, again, our position is opposition to this based on
20 the hearing and the representation we have of the many
21 students in this particular school district.

22 DR. DeVRIES: Hello. I'm Dr. Deborah DeVries.
23 I'm one of the board members for the Oxnard School
24 District. And not to take a lot of time, but just to
25 share our passion.

1 One of the great things about living in the
2 community is that you can be part of democracy in action.
3 And my understanding is that locally we're at least 2 to 1
4 against having BHP Billiton here. We've had incredible
5 support of people stopping their work, coming here today
6 and coming around to share with their neighbors what we
7 can do to make our community air, environmental issues and
8 our seas protected for our future generations, for our
9 children.

10 I think it's significant that the school
11 districts and the city councils for the local areas have
12 all voted resolutions opposed to this. And I think that
13 shows the basic premise of democracy in action. The
14 people that have been elected to represent the individuals
15 are opposed to this and have gone on the record for doing
16 that. I hope that you keep that in mind as you make your
17 consideration. Thank you very much.

18 CHAIRPERSON GARAMENDI: Thank you.

19 Is Mr. Flynn here from the City of Oxnard?

20 OXNARD CITY COUNCILMEMBER FLYNN: Good evening,
21 Commissioners. Welcome to the gold coast, not the gas
22 coast.

23 (Laughter.)

24 OXNARD CITY COUNCILMEMBER FLYNN: And I'd like to
25 say very briefly that I realize as State Lands

1 Commissioners that you have some very specific and
2 narrowly defined issues that you have to adjudicate or
3 decide upon this evening. And I'd like to just read a few
4 statements that were made by some of your predecessors two
5 years ago in a press conference.

6 The first statement is: "The health to our
7 fragile ocean ecosystem and California's tourist industry
8 rely on the continuation of the oil and gas leasing
9 moratorium."

10 Another statement: "Permanent environmental
11 protections must be retained to improve and protect
12 California's ocean and coastal resources."

13 Additional statement: California's coastal
14 communities account for 86 percent of our economy, making
15 off-shore drilling a threat to our beaches and
16 California's livelihood."

17 Finally: "The federal government needs to focus
18 on clean energy sources and conservation, not more
19 drilling."

20 Now, all of us realize that the LNG proposal does
21 not involve drilling. However, to remain consistent,
22 Commissioners, for the last 20 years this Commission has
23 opposed off-shore oil drilling for a purpose, because of
24 its environmental or its potential environmental adverse
25 impacts.

1 And there are so many environmental impacts
2 and/or adverse impacts with this project, we don't need to
3 detail them. But this is an issue of consistency. And an
4 oil spill is one thing. Imagine a gas spill.

5 Secondly, I'd like to say that Governor
6 Schwarzenegger has made it a top priority to deal with
7 global warming on a statewide level, be the leader of the
8 nation. California is a leader in this nation, right?
9 And I would like to ask: How would this proposal meet and
10 be -- or be consistent with meeting the needs to arrest
11 global warming?

12 And, finally, Mr. Lieutenant Governor, your
13 website articulates a position that you would like to
14 reinvigorate the Governor's Office, and I -- or Lieutenant
15 Governor's Office. No pun intended -- no Freudian slip
16 there.

17 (Laughter.)

18 OXNARD CITY COUNCILMEMBER FLYNN: And, sir, I
19 would suggest that you begin this evening by making
20 history -- politics is history in the making -- and you
21 turn down this proposal. It is a David and Goliath day.
22 Make these history commissioners make us proud of you.

23 Thank you.

24 CHAIRPERSON GARAMENDI: Thank you.

25 (Applause.)

1 CHAIRPERSON GARAMENDI: No, no, no, no, no. You
2 don't want to do that.

3 Jesus Torres representing Pedro Nava, and
4 followed by Hilda Garcia representing Senator Sheila
5 Kuehl.

6 MR. TORRES: Hello. My name is Jesus Torres.
7 I'm here on behalf of State Assemblymember Pedro Nava, who
8 represents the 35th Assembly District, which includes
9 beautiful Oxnard. And I have a statement I'd like to read
10 on his behalf. And it goes:

11 "Dear Chairman Garamendi, Honorable
12 Commissioners: As Assemblymember of
13 this district and former California
14 Coastal Commission, I'm opposed to inn
15 cuss our coast with an LNG floating
16 factory, with 20 Class 1 significant
17 impacts that threaten safety and
18 security of our residents and cause
19 irreparable harm to our quality of life,
20 environment, and marine sanctuary.

21 "Every year Cabrillo Port project,
22 an experiment untried and untested and
23 unproven, will disgorge over 200 tons of
24 pollutants into the air over Ventura and
25 L.A. counties. For at least the next 40

1 years it will deter progress made in
2 advancement of renewable energy, and
3 shackle us to yet another foreign import
4 energy source.

5 "Further, the project would directly
6 impact the predominantly working class
7 Latino community that imposition of
8 these risks is unacceptable.

9 "Please join me, Assemblymember
10 Julia Brownley, State Senator Sheila
11 Kuehl, Assemblymember Lloyd Levin;
12 Congresswoman Lois Capps; the L.A.
13 Times; the Intercom Star, the cities of
14 Oxnard, Port Hueneme, and Malibu; the
15 Oxnard School District; the Oxnard PTA
16 Council; ACIU Local 721 representing
17 89,000 workers; and many, many families
18 in Oxnard in opposing the 14-story high,
19 three football fields Long BHP Cabrillo
20 Port project.

21 "I respectfully urge you to not a
22 project on land lease and not certify a
23 final environmental impact report.

24 "Sincerely, Pedro Nava."

25 And thank you for your time.

1 CHAIRPERSON GARAMENDI: Thank you.

2 MS. GARCIA: Hi. I'm here on behalf of Senator
3 Kuehl to share with you that Sheila opposes the BHP
4 Billiton LNG terminal and would like you to deny the
5 certification and the land lease today.

6 Thank you.

7 CHAIRPERSON GARAMENDI: Thank you for your
8 excellent testimony.

9 (Laughter.)

10 No, no, no. No outbursts.

11 (Laughter.)

12 CHAIRPERSON GARAMENDI: Okay. Let's move along
13 here. I'll read five more names.

14 And let me once again say this, that if you've
15 heard it, you don't need to repeat it. We do know who you
16 are. You'll all be on the record as being either
17 supporting or opposing. But we would like to complete
18 this before this day ends.

19 Okay. Cara Horowitz, Herlinda Murguia, Linda
20 Calderon, and Walt Keller.

21 MS. HOROWITZ: This is Cara. I gave my testimony
22 earlier. Thank you.

23 CHAIRPERSON GARAMENDI: Thank you.

24 MS. MURGUIA: Good evening. Thank you for
25 coming, and welcome to the City of Oxnard.

1 I'm Herlina Murguia.

2 You got it?

3 I have been a resident of Oxnard all of my life.

4 And I am in opposition to this project that I am speaking
5 to you about. Everybody has already said what I needed to
6 say.

7 The only thing I would like to say is that the
8 Port of Hueneme's the only deep sea water port between
9 L.A. and San Francisco. And why do we want to place a
10 flowing bomb within reach of this port?

11 Also, the big picture. Shifts caused in the
12 Pacific will adversely affect the environment and global
13 warming and greenhouse gas emissions. I want to emphasize
14 again that the Governor has stated he wants California to
15 be the first green state. Let's do that and say no to the
16 proposed terminal. What kind of earth are we going to
17 make our children and grandchildren? That is up to you.
18 Please vote no on this proposed terminal.

19 Thank you.

20 CHAIRPERSON GARAMENDI: Thank you.

21 Next up.

22 MS. CALDERON: Hi. I'm Linda Gray Calderon. And
23 I'm trying to pick out here what not to say actually.

24 Where is the written guarantee that California
25 would receive this gas if another state bids a higher

1 price, that's one question?

2 And estimates are that the LNG project will
3 provide about ten percent in our gas supply. It seems
4 that ten percent is not worth gambling the health of our
5 children.

6 Also, this winter, which wasn't maybe the right
7 year to try, but I did an experiment, I did not turn on my
8 gas heaters at all. However, I still used small electric
9 heaters in the bedrooms. And I want you to know that my
10 price of electricity only went up about \$10 a month. It
11 was around \$66. This is a four bedroom two bath house.
12 And the gas price was \$20, about the same as it is in the
13 summer. Even though I have a gas drier, stove and water
14 heater. So that's one way to cut down on the energy use.

15 About 27 years ago, I worked in the energy
16 program office of the Navy, and they already had a test
17 house using just solar and wind energy. I want to know
18 what happened in those 27 years? Why have we not moved
19 forward? The only reason I can say is the gas and oil
20 companies have a vested interest in keeping it as it is.

21 And I want to say how could anyone state that
22 building this is in the public interest, when it's going
23 to bring smog. I don't believe that. I think we've
24 forgotten why we had the blackouts, and that was because
25 of energy regulation. So I think we need to keep our eyes

1 on what really is a problem. We haven't had blackouts
2 that I know of since 2001, so we haven't had an energy
3 shortage.

4 CHAIRPERSON GARAMENDI: Thank you.

5 Mr. Keller.

6 DR. KELLER: Thank you. I've been here since
7 quarter to ten.

8 I'm Walt Keller, speaking in opposition. As a
9 resident of Malibu. Most of all, I'm a retired aerospace
10 engineer with experience in cryogenic liquids.

11 But first I need to address the claim of project
12 benefits and the terms of increased natural gas supply.
13 And I'd like to address the myth of that. And I've given
14 you some facts -- I left them with the nice young lady
15 that sitting there. I don't know if you got them. But
16 the bottom line is that according to the Natural Resources
17 Defense Council in 2004, which is the last time we had
18 data, the U.S. consumed 22.42 trillion cubic feet of NG to
19 satisfy all needs. Available supply in 2004 was over 25
20 trillion cubic feet. And the forecast for 2015 is 32
21 trillion feet and 35 trillion feet in 2025.

22 Now, if that's not enough evidence of adequate
23 supply, I might note also in looking at the stock of San
24 Juan Basin/Mesa Royalty Trusts, both major suppliers of
25 natural gas. And one of them has been going down for the

1 last four years and the other hasn't moved either, unlike
2 the gasoline companies.

3 So as an engineer I'd like to point out that it
4 will be continuous venting from these storage tanks at the
5 port's facility, because -- and carried to the land by the
6 off-shore breeze. And the reason is that there's no such
7 thing as a totally heat impermeable container for liquid
8 products. Some has to get in there. And when it gets in,
9 it boils the LNG. And when the LNG boils, you have to let
10 it out or you'll over-pressurize the tank.

11 I've scrapped a whole bunch of stuff from quoting
12 Sandia, but I did want to note that they state that there
13 are no standards of guidance for evaluation of safety or
14 consequences for LNG spills over water. And that's what
15 the recent General Accounting Office panel of experts also
16 agreed to.

17 So, in closing, California doesn't need those
18 risks, and we certainly won't need that gas by the time
19 they have it aboard.

20 Thank you.

21 CHAIRPERSON GARAMENDI: Thank you very much, Mr.
22 Keller.

23 (Applause.)

24 CHAIRPERSON GARAMENDI: Okay, five more.

25 Cynthia Scott, Jim Hoagland. I'll leave that at

1 Oagland for now. You can change it when you get up here.

2 Norman Eagle and Mr. Neubauer.

3 MS. SCOTT: Good evening, Commissioners. I'm
4 Cynthia Scott. And on behalf of your Board of
5 Supervisor's Chair, Zev Yaroslavsky from the third
6 district, where this proposal is being discussed, I would
7 like to register his firm --

8 CHAIRPERSON GARAMENDI: That would be L.A.
9 County.

10 MS. SCOTT: L.A. County. I would like to
11 register his firm opposition to this proposal. And if you
12 would indulge, I'd just like to read this parting shot and
13 I'll leave this letter with you to register.

14 "In all, the Cabrillo LNG Port is the wrong
15 project in the wrong place. I urge the California State
16 Lands Commission to join me and numerous environmental
17 organizations and other elected representatives in
18 opposing this ill-sighted and ill-planned proposal."

19 "Thank you."

20 CHAIRPERSON GARAMENDI: Thank you very much.

21 I believe I mispronounced the Nemburger, is that
22 closely enough?

23 Perhaps you know who you are, even though I can't
24 read the name.

25 Jim Hoagland.

1 Moving on. Mr. Eagle.

2 Neubauer.

3 Well, if you find yourself, let me know.

4 (Laughter.)

5 CHAIRPERSON GARAMENDI: Mr. Eagle?

6 Betty Eagle.

7 Mr. Madrid -- Alice Madrid?

8 John Pinard?

9 Go ahead, Alice. And, Mr. Pinard, if you're out
10 there.

11 MS. MADRID: Good afternoon. I'm Alice Madrid
12 from Ocean View School District. Dr. Carroll, our
13 Superintendent, was not able to be here, so she asked me
14 to read this letter for her.

15 "This letter is written in response
16 to the Final Environmental Impact
17 Statement/Environmental Impact Report
18 for the Cabrillo Port Liquefied Natural
19 Gas Deepwater Port. My comments are in
20 response to Section 4.13-18 and 4.13-19,
21 the proposed pipeline route for the
22 Center Road pipeline location.

23 "The Final EIR/EIS states on page
24 4.13-19 that, 'it appears that the
25 provisions of Title 4, 140010 need to be

1 addressed by the Ocean View School
2 District regardless of whether the
3 proposed project is approved. And the
4 District would have to conduct a
5 pipeline risk analysis if they were to
6 pursue this site.'

7 "However, the Final EIR/EIS
8 acknowledges that the site for the new
9 elementary school is selected and is
10 within the Hearthside Homes plans of
11 division to the north of Heuneme Road,
12 shown as proposed school location from
13 the Notice of Preparation for the Ormond
14 Beach specific plan proposed Ocean View
15 School District site on Figure 4.13-6.

16 "As stated in our prior letter to
17 the California State Lands Commission,
18 dated April 6, 2006, Ocean View School
19 District and Hearthside homes are
20 currently in the mitigation process
21 developing the final agreement for the
22 financing of the school to be built.
23 The location for the elementary school
24 within the Hearthside Homes plans
25 subdivision to the north of Hueneme Road

1 in the northern subarea of the Ormond
2 Beach Pacific Plan area has been
3 determined."

4 CHAIRPERSON GARAMENDI: Excuse me, ma'am. If you
5 would give us the letter, we could probably read it
6 ourselves here. And you're out of time.

7 MS. MADRID: Oh, okay. Can I just read this one
8 last line awe. Routing the pipeline adjacent or near
9 existing school sites and proposed school sites remains of
10 great concern.

11 CHAIRPERSON GARAMENDI: Thank you.
12 For those of you that would like to read a
13 letter, I can assure you that the three Commissioners are
14 perfectly capable of doing so, and we'd be happy read it.
15 Sir, go ahead.

16 MR. PINARD: Good evening. My name is John
17 Pinard. And I'm a veteran, senior and grandfather. I'm
18 here on my own. Nobody has paid me to be a spokesman for
19 special interest. I live in Port Hueneme, which is a
20 small city nearest the project composed of minority
21 working class people and middle class retired people.
22 It's a town that has no newspaper, no radio stations, no
23 TV station and no car dealership.

24 Now, one of the impacts that has not been
25 mentioned, I would like to call to your attention. About

1 a year ago the EIR became known to a few of us. Some of
2 my neighbors became alarmed and started selling their
3 homes. Prices have declined. In Port Hueneme in the last
4 year, market prices of homes have declined 11 percent. In
5 Oxnard, nearby, homes have declined 8 percent. The state
6 average for the same time period is three percent. Why is
7 there such a disparity? Three percent statewide, 11
8 percent in Port Hueneme.

9 I say it's because people are afraid with the
10 little information they have, and from what I've heard
11 here today, if this project is approved, more people are
12 going to be fleeing. So I request that you deny this
13 project.

14 Not only is it affecting my property values, but
15 it will affect the property tax base and affect every
16 branch of government that relies on property taxes. And
17 I'm willing to provide support to my contentions.

18 Thank you.

19 CHAIRPERSON GARAMENDI: Thank you very much, Mr.
20 Pinard.

21 The next five, Sandy Padose, Michael Brill,
22 Dorothy Scott, John Mazza, and Dr. DeClario. If you'll
23 come up and we'll take your testimony.

24 Mr. Padose -- excuse me, Ms. Padose?

25 Michael Brill?

1 Dorothy Scott?

2 John Mazza?

3 MR. MAZZA: John Mazza. I'm representing the
4 Malibu Township Council, which is a 60-year old
5 organization that represents the interests of the greater
6 Malibu area. And first I'd like to say that I've been to
7 many, many hearings, and this is the first hearing I
8 genuinely felt that the Commission was interested in
9 actually learning something.

10 (Clapping.)

11 MR. MAZZA: So no clapping please.

12 (Laughter.)

13 MR. MAZZA: Malibu is a very different place, and
14 we've followed issues there for years. This issue happens
15 to be the issue that has brought the most interest of the
16 residents since Southern California Edison tried to put a
17 nuclear powerplant on an earthquake zone going through
18 Malibu. And that's 37 years ago.

19 There is a very big interest in Malibu. And this
20 is the first time Malibu has joined with Oxnard in an
21 issue. We have different demographics, but we have the
22 same issue, and that's we're human beings interested in
23 our environment and where we live. Because we live on the
24 coast, we're blessed with having relatively clean air.
25 And nobody has addressed today the fact that the biggest

1 impact on the southern California area of individuals is
2 these people on the coast.

3 Because we are all of a sudden going to have --
4 going to go from the city, the ocean protecting us and
5 blowing clean air at us, because, as Bob Dylan said, we
6 all know where the weather goes, or whatever it was.

7 (Laughter.)

8 MR. MAZZA: But we don't need a weather man to
9 know where the weather blows.

10 And it blows on shore 90 percent of the time. So
11 we are going to go from a situation where we have
12 relatively clean air to relatively dirty air. And it is a
13 very important issue for us locally. I know you consider
14 State issues, but this is a very important thing to the
15 local population.

16 Thank you.

17 CHAIRPERSON GARAMENDI: Thank you very much.

18 (Applause.)

19 CHAIRPERSON GARAMENDI: No, no, no, no.

20 We have Dr. DeClario.

21 DR. DeCLARIO: My name is Dr. Alessandra
22 DeClario, and I am a CERT volunteer, environmentalist and
23 animal activist. And I can list hundreds of valid and
24 documented reasons why this project would be so
25 detrimental to our environment, sea creatures and our

1 safety. Others have already done that.

2 I'd like to approach this issue mainly as a
3 doctor of psychology. In an ideal society, the citizens
4 are happy and at ease. While you listen to today's
5 testimonies, please hear the fear from both supporters and
6 objectors. The citizens are not happy. This project has
7 created discord.

8 Although, we generally think of terrorism in the
9 form of physical attacks, the constant fear of pending
10 disasters and putrid pollution that this project is
11 certainly capable of causing, has already created terror
12 in the hearts and minds of our citizens. These are the
13 most dangerous places. A terrified mind cannot think
14 without paranoia and a terrified heart cannot find peace
15 or hope.

16 I would like you to think what it's like to have
17 a fearful mind and then hear a BHP public relation agent
18 claim that this polluting project would provide the people
19 of California with what they want and what they need. The
20 statement is pure arrogance and takes advantage of a
21 confused mind. We all know that their reports and studies
22 have found many of BHP's claims to be incorrect.
23 California doesn't need another country to tell us what we
24 want and need and create fear in our citizens.

25 The bottom line is that this floating terminal

1 would be a massive polluter and a step backwards for
2 global warming. California can create its own energy,
3 hiring its own citizens. This will encourage a high
4 spirit, hope for the future and generate income. The
5 project is not for California. Californians know what we
6 really want and need and it's not a polluting LNG floating
7 factory that may be a target for a terrorist attack. It
8 will continue to cause fear and there will be economic
9 consequences. We have to continue to be green and to lead
10 the country, and be more aggressive with the use of solar.
11 We're Californians. Let's light up with the sun.

12 I just want to show you. I promise --

13 CHAIRPERSON GARAMENDI: I promise you we will
14 look at it. Pass up it here please.

15 DR. DeCLARIO: Okay. I'll pass it you then,
16 because that's from a 17-year old high schooler.

17 CHAIRPERSON GARAMENDI: I understand the fear of
18 not completing this task.

19 (Laughter.)

20 DR. DeCLARIO: Thank you. Say no.

21 CHAIRPERSON GARAMENDI: There's clarity in the
22 last word.

23 It looks to me like we've gone through that.

24 If you've heard it before, you need not repeat it
25 again. Please, help us finish before this night is done.

1 We started sometime around 10:30 and it looks like we --
2 we're going to finish long before 1030.

3 Michael White, John Rennell, Diane Rennell, Lyn
4 Hicks, Mike DeMartino.

5 Okay, that's the next five.

6 Sir.

7 MR. WHITE: Thank you very much. My name is
8 Michael White. I reside in Malibu. I chose a source of
9 statistics that I'll present to you today. They come from
10 the Department of Energy, Energy Information
11 Administration. They were published in February of '07
12 for the most part.

13 First, the natural gas management is a regional
14 and national issue. It's not a statewide issue. That's
15 true because six states have 79 percent of the proven
16 reserves. Therefore, the vast majority of states are
17 energy dependent as is California.

18 The DOE forecasts that in the next 25 years gas
19 consumption will increase by .7 percent per year. The
20 western U.S. will increase by .3 percent per year. U.S.
21 production, contrary to CPUC statements in 2004, will
22 increase by .6 percent per year, so that LNG imports,
23 which the DOE does forecast, are going to -- intended to
24 be replacing pipeline imports from Canada.

25 The need for LNG, therefore, is to replace those

1 imports, 77 percent of which go to the eastern half of the
2 United States. So I'm not sure why BHP would propose to
3 site the project off the California coast.

4 Referring please to page 7.

5 CHAIRPERSON GARAMENDI: No, I'm afraid you're
6 finished. And I thank you very much, but we do have the
7 written testimony here and we thank you for that.

8 MR. WHITE: Thank you.

9 CHAIRPERSON GARAMENDI: Mr. Rennell.
10 Diane Rennell?

11 Lyn Hicks?

12 Mike DeMartino?

13 MR. DeMARTINO: Good evening. I cut two
14 paragraphs out, just down to one little spot.

15 As the EIR illustrates, Cabrillo Port has air
16 pollution problems that preclude it from operating at full
17 capacity. The best interests of the people of California
18 are not served by approving a project with serious design
19 errors that can't be corrected. BHP Billiton insists that
20 LNG is a clean fuel. And, in fact, its extraction
21 releases carcinogenic air pollution.

22 Australian film maker, Malcolm Douglas, says no
23 to Cabrillo Port. He is conducting a campaign to stop the
24 invasion of the LNG industry into the most pristine areas
25 of western Australia. I would like to join Malcolm and

1 insist our governments heed the warnings of the world's
2 brightest scientific minds and find a cleaner way to keep
3 on the lights. I'd like to submit the rest for you too.

4 CHAIRPERSON GARAMENDI: Yes, please do.

5 Thank you.

6 Well, I want you to know, folks, that you just
7 fattened the stack. Oh, no but it's true. We've doubled
8 the capacity of the time.

9 We may very well wind up here with a show of
10 hands of support and kind of divide the room. All of you
11 in opposition on one side, and all of you in support,
12 because I intend to finish this meeting before this night
13 is done. I'm going to say it once again, if you've heard
14 it, I don't need to hear it again.

15 Mr. Handleman, Jeff Harris, Scott Tallal, if
16 you'll come up. Richard Francis and Ann Levin.

17 MR. HARRIS: My name is Jeff Harris. I'm a
18 Malibu resident and physician for the past 30 years, a
19 former researcher at the Rand Institute and a graduate of
20 the UCLA School of Public Health and Medical School.

21 I have just a couple of quick points. The EIR
22 did not specifically look at our local weather conditions
23 here in terms of combining smog with the Catalina eddy
24 fogs that we have. When those combinations result, we can
25 easily have the killer fogs of London with very public

1 health consequences.

2 Also, the EIR did not include the -- if all three
3 storage vessels of LNG were involved in a specific way,
4 the threat of an explosion could easily reach the
5 shoreline. And also the pipelines need to be studied in
6 terms of whether they would be a fuse carrying the fire
7 and the explosion on shore. This was not done properly in
8 the EIR.

9 Finally, Loretta Lynch has pointed out, but I
10 haven't heard that today, that further upgrades to our
11 electric generating plants will reduce our needs for
12 natural gas by 30 percent and that we can -- also, there's
13 a proposal right now by the Governor of Alaska to bring a
14 pipeline from Alaska, new gas fields, into Canada, which
15 would relieve our national needs.

16 CHAIRPERSON GARAMENDI: Thank you very much.

17 Mr. Tallal.

18 Richard Francis.

19 When I call your names for the first time, if
20 you'd come up and take a chair, we'll move more quickly.

21 MR. TALLAL: Thank you for being here. I'd like
22 to dispel some myths right upfront.

23 CHAIRPERSON GARAMENDI: We'd like to know your
24 name.

25 MR. TALLAL: My name is Scott Tallal.

1 CHAIRPERSON GARAMENDI: Thank you

2 MR. TALLAL: I'm the President the Trancas
3 Highlands Homeowners Association.

4 If this project is not approved, the lights are
5 not going to go out. And we are not going to start using
6 more oil and we're not going to start using more coal.
7 One thing I'm really surprised about is that there's been
8 no testimony today, drawn from the Department of Energy or
9 from the Natural Gas Association Producers. According to
10 these organizations, we have enough natural gas to last in
11 this country for 75 years. This is available on their
12 website. Unfortunately, I didn't bring enough copies of
13 their report for you, but I do have it available. I do
14 have five copies available if you'd like to see that.

15 Chances are a child born today will be dead by
16 the time this country runs out of the existing supply of
17 domestic natural gas.

18 There was a window about two, three years ago
19 open for about five seconds when natural gas prices
20 suddenly spiked. When that happened, we started getting
21 all of these applications in for LNG plants. However, an
22 investigation by four Attorneys General in the states of
23 Iowa, Indiana, Missouri and Wisconsin found that that
24 price spike was not the result of any shortage. It was
25 the result of Enron style manipulation.

1 I'm glad the Australians keep reminding us about
2 the rolling blackouts, because that should remind us about
3 how easy it was for Enron to muck California. Maybe we
4 couldn't prevent it from happening back then, but the
5 Commission certainly has a chance to keep it from
6 happening again.

7 Thank you.

8 CHAIRPERSON GARAMENDI: Thank you very much.
9 Well, folks they're standing up over there. You are about
10 to create a fire hazard, and I'm not referring to LNG.

11 (Laughter.)

12 CHAIRPERSON GARAMENDI: I'm referring to the Fire
13 Marshal who is probably going to force us all out of this
14 room and further delay this hearing. So as much as you
15 might like to stand, you are blocking the aisles and the
16 Fire Marshal has sent me one note and I know another one
17 is on its way. So either find a seat or stand outside.
18 We'll see if we can -- in fact, we do have speakers
19 outside. Oh, you want me to speak louder.

20 Okay, folks, sit down, clear the aisles or we get
21 out of here. So we don't have much of a choice.

22 (Thereupon a member of the audience spoke.)

23 CHAIRPERSON GARAMENDI: No, no, no, no. Okay,
24 we're taking a few moments here, but please clear the
25 aisles. I don't want to have to stop this meeting because

1 of the Fire Marshal taps me on the shoulder and shuts us
2 all down. And that refers to those of you in the back
3 room. There are speakers outside. You can listen outside
4 if you care to stand.

5 Okay. There goes three speakers while we make
6 the room -- there are some seats in the middle -- on the
7 left-hand -- my left-hand side, your right-hand side.

8 Okay. Lets move on. Mr. Richard Francis, Ms.
9 Ann Levin, and Mr. Haldeman.

10 Okay.

11 If I called your name, take the microphone.

12 MS. LEVIN: Thank you. My name is Ann Gist
13 Levin. And I only want to speak very quickly about the
14 effect it had on all of us to discover that the air
15 quality that we have in Ventura County, the number -- the
16 program 26.2 was being used as a designation for the FSRU.
17 So that it gave us the impression that BHP Billiton and
18 their workers were designating the Cabrillo Port as having
19 no need to be mitigated for air pollution. And I would
20 think that one of the -- the reasons it's important for us
21 to know is because it was very difficult to read and
22 interpret this in the EIR. And it was in the 2006 EIR.
23 And we don't -- we want to get back to taking back our
24 ownership of the 26.2 in the county.

25 Thank you.

1 CHAIRPERSON GARAMENDI: Thank you very much.

2 Okay. We'll go with five more names. When I
3 call your names, please take one of the chairs up here.
4 The first person I call will be the speaker. And the
5 other four, if you'll please sit down, we'll move more
6 quickly.

7 Ms. Sperske, Jim Hensley, Christine Kemp, Leroy
8 Steppin, I think, and Mark Flores.

9 MS. SPERSKE: My name is Dineane Sperske. I live
10 here, work here and I'm active in my community here. At
11 the same time I also claim a connection through common
12 interest with the residents of Australia who do not want
13 fossil fuel remains extracted out of their ground any more
14 than we want them delivered here by the energy-making
15 force.

16 Our beautiful, peaceful, clean Oxnard, Malibu,
17 and Ventura coast may appear to be positioned today as
18 sacrificial lambs for the foreign and domestic mini-gods.
19 And the people who plan to foreclose ours and our
20 children's right to a fossil-free future and with \$155,000
21 per year to lease the little strip of land to enable this
22 billion dollar project, then the environmental
23 organization such as Sierra Club or the Environmental
24 Defense Center would also have the right to a similar
25 rate, lease the land, put an end to this, and overfill the

1 bank with clean credits.

2 I add my voice with others and request that this
3 Commission and Governor Schwarzenegger reject the project.
4 Even though there's an alternate piece of this already
5 named Arnold Road, I would think the Governor would want
6 to be distanced from millions of tons of pollution spewed
7 for years by tankers crossing the Pacific to both
8 hemispheres and terminating here. It makes no sense to be
9 linked to political and financial dinosaurs at the end of
10 the oil age. We would rather leave a legacy of leaving
11 California to a fossil-free future.

12 CHAIRPERSON GARAMENDI: Thank you very much.

13 Jim Hensley -- oh, excuse me.

14 Please stand up, introduce yourself.

15 MS. KEMP: Christine Kemp. I'm a land-use
16 attorney. I represent Ariach, Limited.

17 I'm speaking today opposed to the project,
18 representing agricultural interests. That hasn't been
19 heard today, so I felt it was important to speak.

20 We represent 200 -- or own 239 acres along
21 Pleasant Valley Road, in which the pipeline -- the center
22 road pipeline is going to build through. That will be
23 disruptive to the tiles, to the drains and everything that
24 are in the ag land. That's two significant impacts that
25 are not mitigated conversion of significant ag land and

1 also the on-shore pipeline. I think the safety statistics
2 are somewhat flawed because they talked about 12 deaths.
3 That was in New Mexico where we didn't have the kind of
4 population you have here. So I think there are impacts to
5 agricultural land and the on-shore pipeline threat which
6 have not been discussed yet this morning.

7 Thank you.

8 CHAIRPERSON GARAMENDI: Thank you very much.

9 (Applause.)

10 CHAIRPERSON GARAMENDI: Wait a minute. Knock
11 that off.

12 Apparently we have some newcomers that haven't
13 heard the rules. There are no demonstrations in or
14 outside please. When people speak, we listen. And we
15 don't clap and we don't cheer, we don't whistle or
16 otherwise demonstrate. Otherwise you're out of here.

17 Okay. Sir.

18 MR. FLORES: My name is Mark Flores and I'm a
19 resident of Oxnard, second generation. And I'm also an
20 inventor. And I'm also a longshoreman out of the Long
21 Beach/Los Angeles Harbor. And I've actually seen the --
22 that the Long Beach and Los Angeles Harbor has done by
23 using Long Beach shipping industry. The shipping industry
24 does leave a residue, it does leave a track of, I guess
25 you could say, of environmental particulates, including

1 the environment as a compass of any global warming issue.

2 I am an inventor of a smog decontamination device
3 that I believe can be utilized any time someone should
4 happen to come into California and wanted to do some kind
5 of a business.

6 Possibly the technology would be owned by the
7 State of California in a period of about 20 years. And in
8 that fashion, I would say that perhaps maybe California
9 should consider considering my device being utilized in
10 the State of California to reduce the greenhouse gas
11 effects with a lucrative experiment however. I guess you
12 could say this is not the only corporation in the world
13 that likes to continue, I guess, to do business in the
14 State of California.

15 Again, I guess I'd like to offer I guess my
16 package of information to your panel. And perhaps maybe
17 you'll consider what could be done in the form of actually
18 creating a greenhouse device that could actually reduce
19 and create what I call recyclable TRIPARS and also
20 recyclable on the white -- or the black -- what I call
21 black coke dust. But black coke dust has actually been
22 floating around the State of California and all over this
23 country since the Model T. It actually needs to be
24 reduced and actually needs to be replaced. Black coke was
25 actually sold by Union Carbide in Long Beach 212. So we

1 could actually truck it from Terminal Island down the
2 street. We could actually sell it.

3 CHAIRPERSON GARAMENDI: Thank you very much, Mr.
4 Flores.

5 Mr. Hensley.

6 MR. HENSLEY: Yes, sir.

7 Mr. Chairman, Mr. Chiang, commissioners. Thank
8 you so much for hearing us.

9 In the Army we have a saying when you're on the
10 firing line. And if there's a round that jams into the
11 chamber, we call it hang fire. The range master calls out
12 and says, "Cease firing. We need to cease fire." Because
13 this is not a safe situation. We need to think globally,
14 because what's going to happen on the other end? We don't
15 know where BHP is going to get all the gas. They tell us
16 one spot. I don't trust BHP.

17 You go on line and you find out BHP started out
18 in South Africa supporting apartheid. You find out that
19 they merged with Billiton who chased the natives off of
20 Australia for land. So they're not a nice company. I
21 don't think they've changed that much in the last ten
22 years.

23 They're ruining lands on all their mining
24 operations around the world. We're thinking globally, but
25 we need to act locally. If you look at the way they mine

1 for natural gas, they leave ponds of toxic materials, the
2 water that comes up from fracturing. This is not safe for
3 the environment, not safe for the people. So I'd say
4 this: We don't need to import more gas. We need to deal
5 with the United States itself.

6 So think locally, act globally, or vice versa.

7 Thank you so much.

8 (Laughter.)

9 CHAIRPERSON GARAMENDI: Thank you very much.

10 MR. HENSLEY: I was running, sir.

11 CHAIRPERSON GARAMENDI: Yeah, you've done a job.

12 Dineane Sperske.

13 Larry Stein.

14 Dennis Seider.

15 Okay. We're going to go through five names.

16 And I suppose this you coming up, Dennis.

17 Nancy Snooks, Brittany Thompson, Joseph Gilbert,

18 Kathryn Yarnell. And let's take one more. Kelley

19 Rasmussen.

20 If you'll come up, take a seat.

21 You're up next, Mr. Seider.

22 MR. SEIDER: Thank you very much, commissioners.

23 I'm a maritime lawyer. I practiced for 39 years. And the

24 Malibu appointee to the Advisory Board, Santa Monica

25 Mountains Conservancy.

1 As a maritime lawyer I was a witness and a
2 participant and was a representative in the San Sanilla
3 disaster. And I mention this only for one reason: The
4 size of the explosion from leaking fuel -- or leaking gas
5 is dependent on the amount of wind you have. If the wind
6 disperses the gas, it's not a big danger. If you have a
7 day when the wind is still and the gas accumulates in a
8 specific area and there's a source of ignition, the
9 explosion is a function of the size of the gas cloud
10 that's formed before it ignites. And there's really no
11 information in the EIR about that.

12 There's also no information in the EIR about the
13 possible alternatives. So it's difficult to weigh the
14 benefit and burden analysis of other types of sources of
15 power.

16 But, third, and a point I found most confusing
17 about the EIR, is a total lack of analysis of alternative
18 source of LNG. In other words even if you assume you need
19 the LNG, it doesn't mention the fact that there are eight
20 proposed and currently under construction LNG import
21 facilities in Canada who want to continue supporting and
22 supplying the United States.

23 Two of those are in British Columbia. And I'm
24 operating start dates of 2008 and 9, either of which have
25 been mentioned.

1 CHAIRPERSON GARAMENDI: Sir, I thank you very
2 much for your testimony. Your time is up. Thank you.

3 CHAIRPERSON GARAMENDI: Nancy Snooks.

4 Yes, I'm running a tight ship. We've got
5 another -- too many people to go through.

6 Nancy Snooks.

7 Brittany Thompson.

8 Joseph Gilbert.

9 Kathryn Yarnell.

10 MS. YARNELL: Hi, Mr. Chairman and commissioners.

11 It's good to see you again. And I have a new one what
12 goes up must come down. You've got NOx, you've got ROCs,
13 you've got acid rain. They're going to come down in
14 Oxnard, in Ventura. Big agricultural business concerns.

15 I personally am here representing the Malibu
16 Business Roundtable. We've got property value concerns up
17 the wazoo.

18 If we go backwards on foreign fuel, we are
19 crowding out the alternatives. The money that we would be
20 spending on alternatives is going to be going for the
21 infrastructure of this company, for the monitoring of the
22 safety of this company. I don't think -- I don't think we
23 can protect this floating platform from someone stowing
24 aboard, coming from Indonesia or Africa with terror on
25 their minds, stowing aboard and hijacking the transport

1 ships that could easily run up on Santa Monica Pier. And
2 then, you know, we've got a 14-mile huge bomb delivered to
3 a big population.

4 There are about a thousand protesters out there
5 that can't get in that came in the evening. It's too bad
6 we didn't pick a bigger venue. But I do appreciate you
7 holding it in the evening so that these people could at
8 least come and see.

9 Also another black mark against BHP Billiton,
10 they were supplying --

11 CHAIRPERSON GARAMENDI: Thank you for your
12 testimony.

13 MS. YARNELL: -- during the embargo.

14 Thank you.

15 CHAIRPERSON GARAMENDI: Apparently I called your
16 name.

17 MR. STEIN: A ways to get there, I'm sure.

18 Lawrence Stein?

19 CHAIRPERSON GARAMENDI: Larry Stein, would that
20 be you?

21 MR. STEIN: Thank you very much, Lieutenant
22 Governor and members of the Commission. My name is
23 Lawrence Stein. I live in Oxnard, California. I have
24 some notes I'll be passing along. Most of these have been
25 covered already.

1 One thing that has not been addressed fully -- or
2 two issues not been addressed. But one is the effect of
3 earthquakes on the underground -- on the underground
4 pipes. We're going to have high-pressure pipes, till we
5 have the explosion along the unknown fault lines. These
6 pipes are going to burst and create havoc, as you can
7 imagine, similar to what's been going on in San Francisco
8 in the past.

9 The other issue is the fact that this facility
10 will be generating a potential target not necessarily
11 against get the United States but possibly against BHP
12 themselves. Again, we have potentially six containers
13 full of natural gas posing as a potential target. This
14 has not been fully analyzed.

15 And I thank you for your time. I've been here
16 since ten, but I've had numerous breaks. And I appreciate
17 your patience. You've been here longer and had fewer
18 breaks. Again, thank you for your time and just
19 consideration.

20 Here are my notes.

21 CHAIRPERSON GARAMENDI: Thank you very much for
22 the information.

23 I am told that some of the names that I have
24 called may be outside. And as those outside and inside
25 can see, is that the doors are closed. The fire marshal

1 has said enough already. There are microphones and
2 speakers out -- excuse me. There are speakers outside.
3 I'll try to call these names twice. If you knock on the
4 door, I'm sure somebody might open it.

5 So here we go.

6 Kelley Rasmussen.

7 Kelley Rasmussen.

8 Lupe -- well, Lupe, I'm not sure I can read your

9 writing -- Anguiano.

10 Lupe Anguiano.

11 Gordon Birr.

12 Alicia Thompson.

13 Carole Davis.

14 I'll read these names just one more time, see if

15 we can get them.

16 Gordon Birr.

17 Lupe Anguiano.

18 Kelley Rasmussen.

19 Alicia Thompson.

20 Carole Davis.

21 MS. ANGUIANO: My name is Lupe Anguiano.

22 CHAIRPERSON GARAMENDI: Lupe, pull that

23 microphone right up close and get personal.

24 MS. ANGUIANO: Okay. Thank you very much.

25 My name is Lupe Anguiano. I'm a 60-year resident

1 of Oxnard in the area. Since 1981, I managed and
2 organized a company that dealt with assisting companies
3 to -- assisting companies in their -- in implementing
4 their good neighbor and corporate responsibility policies.
5 I had the honor of serving under President Reagan and
6 served in his Advisory Committee on Corporate
7 Responsibility and advisory council.

8 I'd like to -- I guess I'd like to say that I am
9 totally opposed to this project for many reasons that have
10 been demonstrated today. But more importantly, because
11 BHP Billiton has failed to really do needs assessment and
12 also follow the corporate responsibilities of this nation.
13 I have -- through President Reagan I've worked with many
14 CEOs of this country. And every one dealt with testing of
15 the product, making sure that when they came to a
16 community that product provided value to that community.

17 BHP Billiton has consistently -- has consistently
18 failed, and really lobby against the State of California's
19 ability to do needs assessment.

20 CHAIRPERSON GARAMENDI: Ms. Anguiano, thank you
21 so very much for your testimony.

22 MS. ANGUIANO: And I offer you --

23 CHAIRPERSON GARAMENDI: Yeah, we have your
24 written testimony. Thank you.

25 MS. ANGUIANO: Thank you.

1 Gordon Birr.

2 MR. BIRR: Honorable Chairman and Commissioners.

3 I'm Gordon Birr. Beer is fine with me. Fosters is one of
4 the great things that comes out of Australia. I'm also a
5 director of the Beacon Foundation, which has no
6 affiliation with the Australia foundation of the same
7 name.

8 I hope that this Commission will ask BHP Billiton
9 to waltz back to Canberra with their proposal and attempt
10 to get their own parliament to approve a similar
11 experimental project north of Sidney off of their Gold
12 Coast; and ask them to convince their parliament to accept
13 all of the associated risk of having an experimental
14 factory ship off of their Gold Coast.

15 Australia's Gold Coast mimics our Gold Coast,
16 which extends from Malibu to Santa Barbara. Surface
17 Paradise north of Sydney is their Malibu.

18 Further north is Queensland -- in Queensland is
19 the City of Cairn that mimics -- that mirrors Oxnard with
20 its dependence on agricultural surrounding -- surrounded
21 by sugar fields and also depends on migrant labor to
22 harvest their fields.

23 Cairn is also a stepping-off point for the boat
24 trips at the Great Barrier Reef, which is Australia's
25 National Marine Sanctuary. I can envision the uproar from

1 their local councils and their citizens if this proposal
2 was located off of their coast.

3 Thank you very much.

4 CHAIRPERSON GARAMENDI: Thank you very much, Mr.
5 Birr. Right on the money with one and a half minutes.

6 Those of you that are coming up to testify, it
7 would sure make my life easier if you stuck to a minute
8 and a half as Mr. Birr did. Then I wouldn't have to be
9 impolite and cut you off. But I will.

10 (Laughter.)

11 CHAIRPERSON GARAMENDI: Mr. Rasmussen -- or
12 Kelley Rasmussen.

13 Kelley Rasmussen.

14 Alicia Thompson.

15 Carole Davis.

16 The next five. Christine Rogerson.

17 Dean Wood.

18 Mortimer Glasgal.

19 And James Vega.

20 John Chiang is translating. So I've just got a
21 script here.

22 COMMISSIONER CHIANG: Jane Tohmach.

23 Jane Tohmach, former officeholder.

24 CHAIRPERSON GARAMENDI: Jane Tohmach.

25 Okay. Please, go ahead.

1 MS. ROGERSON: Good evening, Chairman and
2 commissioners. Thank you. My name is Christine Rogerson
3 and I am the President of the Malibu Association of
4 Realtors.

5 I'm here today to convey to you that our
6 association is adamantly opposed to the BHP Billiton
7 liquefied natural gas terminal proposed to be located off
8 of the shore of Malibu and Oxnard.

9 Our organization of over 900 members is concerned
10 that this project will have a negative impact on the
11 property values, which will have an immediate and
12 detrimental local effect economically. This will
13 ultimately impact the state by creating lower revenue
14 collected from property taxes.

15 One of the main reasons that people choose to
16 move to Malibu is to enjoy the clean air. We believe this
17 benefit will be significantly reduced by the pollution
18 that will be generated by this project. This in turn can
19 only negatively impact the 15 million tourists that visit
20 Malibu each year.

21 The Malibu Association of Realtors assures you
22 that our concerns regarding the project transcend our
23 local interests. Malibu is not only for those who live
24 there. It is an asset to the State of California and
25 indeed the nation, known all over the world for its

1 pristine beaches.

2 To visually and literally pollute the sunspoiled
3 environment is surely not in the best interests of all the
4 citizens of California. Please help to preserve our
5 precious coastline by voting against this LNG project.

6 And thank you for your time and your patience
7 during this long day.

8 CHAIRPERSON GARAMENDI: Thank you very much.

9 Dean Wood.

10 MR. WOOD: Good afternoon. My name is Dean Wood
11 and I wish to speak as an advocate for the use of natural
12 gas, both as a commercial user and as a consumer.

13 As a commercial user, I work for EVO Limousine.
14 EVO Limo is currently the only limo service in the
15 southland that operates exclusively with natural gas. Our
16 vehicles were converted from standard internal combustion
17 engines to CNG. The result has been a drop in fossil fuel
18 emissions of over 95 percent. In other words, one typical
19 SUV on the road today emits the same amount of exhaust as
20 20 of our CNG vehicles.

21 So when you leave here today and start your
22 petroleum-powered engine, I'd invite you to consider that.

23 It would also be worthwhile to note that numerous
24 city and county government agencies also have converted
25 their fleets to CNG, from metro buses, government

1 vehicles, et cetera. These agencies' businesses haven't
2 landed any secret. They simply enjoy lower fuel costs,
3 clean burning vehicles, and the comfort of knowing that
4 each of these vehicles is displacing a significant amount
5 of fossil fuel emissions, each and every one, and we all
6 can too, whether you feel that this LNG depot is right or
7 not or is the answer.

8 From the consumer's respect in me, that impact
9 exists right now on my pocketbook or everyone here, while
10 the price of gasoline is approaching \$4 per gallon. In
11 order for me to come here today I had to fill my tank with
12 CNG, and my bill came to \$18.78.

13 Thank you.

14 CHAIRPERSON GARAMENDI: Thank you very much.

15 Mr. Glasgal.

16 DR. GLASGAL: Yes. Thank you for showing up here
17 like we showed up. I'm Dr. Mortimer Glasgal.

18 I've worked with -- practiced with children for
19 over 40 years. And I think you have to bear in mind what
20 consequences the children will have in the decisions that
21 we make. In the indian -- what affects us seven
22 generations before and seven generations to come. So that
23 what we consider here now will affect us in the long run.

24 We have to bear in mind that this is paradise.
25 And this will be paradise lost when something like this --

1 of this consequence will affect us in every way.

2 I feel that we should know credentials of the
3 people who represent this company, Billiton, which has
4 left a scorch wherever it's been anywhere in the world,
5 whether it was South America, Malaysia or anywhere else
6 but Indonesia, or wherever it has done business. Is this
7 somebody you want to do business with, when you know what
8 this person is about, where they've been and how they've
9 never been nice with any dealings they had before? I
10 would ask that you all consider that, because that's very
11 important to all of us to know what we can expect and what
12 we can conceive from what has happened before this, to
13 give us an indication of what we we're dealing with.

14 Thank you for your time.

15 CHAIRPERSON GARAMENDI: Thank you very much.

16 James Vega.

17 James Vega?

18 Jane Tohmach.

19 MS. TOHMACH: Commissioners, thank you for having
20 this hearing.

21 CHAIRPERSON GARAMENDI: Please pull the
22 microphone down.

23 MS. TOHMACH: Okay. Thank you very much for
24 having this hearing. And I appreciate speaking with you
25 Commissioners.

1 This project, Cabrillo Port LNG Terminal, the
2 most recent -- is the most recent attempt to burden
3 our -- burden us with an unnecessary dangerous polluting
4 facility that would delay the development of aggressive
5 preservation -- conservation, excuse me -- and renewable
6 energy sources, such as solar, wind and wave action. We
7 have plenty of those here.

8 I was on the Oxnard City Council in the 1970s
9 when the first LNG plant was proposed. We hired a strong
10 company to do the EIR. We fought the State Senate to hold
11 a committee hearing in Oxnard. And legislation was passed
12 prohibiting an LNG facility near a large population. That
13 eliminated Oxnard and Los Angeles.

14 The project was dropped because the threat that
15 there was a shortage of natural gas was false, as it is
16 today.

17 An issue that has not been discussed enough is
18 the location of the FSRU, very -- in the deep water, quite
19 close to the Pacific missile range, a part of the Naval
20 Base Ventura County.

21 BHP expects three super tankers of LNG a day.
22 Today it discussed only one or two a day -- they found it
23 being a day -- a week. They mentioned one or two a week.
24 But their hope had been for three.

25 CHAIRPERSON GARAMENDI: Thank you very much for

1 your testimony. And I may be the only person in this room
2 that voted on that 1978 legislation.

3 Thank you very much. I appreciate your
4 testimony.

5 MS. TOHMACH: Okay. Thank you.

6 CHAIRPERSON GARAMENDI: Okay. I'm going to do
7 this: I'm going to call out five more names. I'd ask
8 them to come forward and have a seat. The rest of you I
9 suggest you keep your seat unless you don't want to get
10 back into the hall.

11 We're going to take a ten-minute break to avoid a
12 workers' compensation claim by my court reporter, who
13 desperately needs a break after two hours of hard work
14 here.

15 So I'm going to call these names. And if you'll
16 come up and cool your heels for the next ten minutes. The
17 rest of you, if you want to lose your seat, you can get up
18 and roam around. I wouldn't recommend it.

19 (Laughter.)

20 CHAIRPERSON GARAMENDI: Raymond Pinedo.

21 Raymond Pinedo.

22 Michelle Hoffman.

23 Gail Osherenko.

24 Gail Osherenko.

25 Heikki Ketola.

1 And Marcia Hubbard.

2 Marcia Hubbard.

3 Break time.

4 (Thereupon a recess was taken.)

5 CHAIRPERSON GARAMENDI: All right. If you'll
6 take your seat, we're going back to work here.

7 All right. Our court reporter is back in his
8 seat. He's busy banging on the keys. And we need quiet.

9 Please take your seat.

10 Thank you very much for your courtesy, for
11 clearing the aisles, making it possible for us to
12 continue.

13 Earlier I called Mr. Haldeman. Apparently he was
14 one of the gentlemen enjoying the beautiful weather here
15 today outside.

16 Mr. Haldeman is now here. I'll take him up
17 first. And then I'll go to the four people that I -- five
18 people that I identified before we broke.

19 Mr. Haldeman, if you're here. Somewhere around.

20 There you are.

21 MR. HALDEMAN: Thank you very much.

22 My name is Barry Haldeman. I've lived in Malibu
23 for 30 years.

24 I know you've heard a lot of testimony today, so
25 I'm going to yield my time back to the Commission. And

1 I'm going to urge everybody here who wants to talk, if
2 they could, to yield their time back, so that you have a
3 chance to vote.

4 But the one thing I'd like to do is just say, all
5 of those who are opposed to this terminal, would you
6 please stand up.

7 (Standing.)

8 MR. HALDEMAN: And a thousand more outside.

9 Thank you very much. I yield my time back to the
10 Commission.

11 CHAIRPERSON GARAMENDI: I suppose given the
12 normal way we do things, all those in support could stand
13 up also.

14 They must be standing outside.

15 I guess all those standing outside are in
16 support.

17 MR. HALDEMAN: Thank you.

18 (Laughter.)

19 CHAIRPERSON GARAMENDI: Okay. Enough fun.

20 We do have about a hundred more people that have
21 signed up. And it's been suggested that we may have heard
22 most of the arguments thus far. I would ask those
23 people -- and I'm going to go through these names as
24 quickly as I can -- if you have heard what you're about to
25 say from somebody else, then you can be sure that we have

1 heard it also. So please do not repeat. You can simply
2 say you're in opposition or in support, as the case might
3 be. And we might be able to actually get to a discussion
4 and a vote.

5 Okay. Raymond Pinedo.

6 Raymond.

7 Your last name, please.

8 MR. PINEDO: Oh, my name is Raymond Pinedo. I am
9 from Santa Barbara. I'd like to welcome you all.

10 The main thing I'm here for is that we -- I as a
11 native Chicano Indian indigenous from Mexico. And the
12 people here, the natives also, I think I represent them
13 also.

14 As you know, in Australia the aboriginal -- or
15 both aborigines have, you know, been devastated by this
16 corporation.

17 As you know, DDT -- we barely got our first eagle
18 egg has hatched. And that's because of the DDT that has
19 been poured on this event. After 30 years we also had oil
20 spills here. We've had sewage spills where our kids can't
21 even go to the beaches. And if we're going to have more
22 of these kind of projects, what's it going to do to mother
23 earth? So I'm just asking you to support our vote against
24 this project.

25 Thank you.